

DAILY REPORT

Latin America

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CONTADORA GROUP TO MONITOR BORDER 23-25 AUGUST

PA152232 San Jose Radio Reloj in Spanish 1200 GMT 15 Aug 85

[Text] Costa Rican Foreign Minister Carlos Jose Gutierrez has said that the Contadora Group will appoint the members of the commission that will supervise the border between Costa Rica and Nicaragua during the 23-25 August meeting in Cartagena, Colombia. This was a promise made to Costa Rica, he added. Gutierrez said that Costa Rica's proposal in this regard has been accepted. The idea is to have an investigation along the border to discover if rebel groups are active in the area, and if Costa Rica is complying with its obligations in line with its proclamation of neutrality. With the arrival of the commission established by the Contadora Group, Costa Rica seeks to prove its neutrality in the conflict with Nicaragua. The Sandinist regime has accused Costa Rica of helping the counterrevolutionary groups. However, Monge's government has repeatedly stated that it maintains the required controls to keep the rebel groups from operating in this area. It has been said that when Civil Guard patrols travel in the border area they are attacked by the Sandinist regime.

AREA BUSINESS GROUPS SEEK TO STRENGTHEN MARKET

PA151628 San Jose LA PRENSA LIBRE (EL INDUSTRIAL Supplement) in Spanish 6 Aug 85 p 2

[Resolution issued by the chambers and associations of Commerce and Industry of Costa Rica, El Salvador, and Guatemala in San Salvador on 1 August]

[Text] The chambers and associations of Commerce and Industry of Costa Rica, El Salvador, and Guatemala, deeply concerned over the weakening of the CACM and aware of the important role the CACM plays in the development of our countries, hereby reaffirm their Central American integrationist spirit and their faith in the economic integration of the area. Therefore, assembled in the city of San Salvador, they agree:

1. To request a joint, urgent meeting at the highest level of representatives of central banks, economy ministries, and private sectors to eliminate all discriminatory measures that hamper free trade between their countries. These include: a) delay in payments to exporters, b) discriminatory exchange lists, and c) lists of payment priorities.
2. To propose the creation of a payment system for commercial transactions between countries either in national currencies or the most convenient way to replace the payment mechanisms of the CCCA [expansion unknown].
3. To propose the creation of mechanisms that will make the marketing of those currencies easier in order to allow payments to be made in national currencies.
4. To propose the reorganization of the agencies responsible for the operation of the CACM and the creation of a permanent higher council for the economic integration of Central America with participation of the private sector.
5. To request that the participation of all area countries in the integration process be normalized and regulated in a way that all countries will enjoy equal privileges and assume equal obligations.

San Salvador, El Salvador, 1 August 1985

Costa Rican Chamber of Commerce, Manrique Constenla V.

Salvadoran Industrialists Association (ASI), Eduardo Menendez

Guatemalan Chamber of Commerce, Pedro M. Lamport K.

Costa Rican Chamber of Industries, Jorge Woodbridge C.

Salvadoran Chamber of Commerce and Industry, Victor A. Steiner

Guatemalan Chamber of Industry, Alvaro Castillo

GOVERNMENT SOURCE DENIES ALFONSIN IN POOR HEALTH

PY160211 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0025 GMT 16 Aug 85

[Text] Buenos Aires, 15 Aug (NA) -- This evening a government source, denying rumors that President Alfonsin was not well, said: "Thank God he is in good health and working without any problems." The official spokesman thus denied a series of rumors, spread by various channels, regarding the president's alleged ailment. The most sensational version even mentioned that he had suffered a cardiovascular problem. The rumor was also spread in Congress and was seen as the cause of the sudden exit of Cesar Jaroslavsky, head of the Radical Party bloc in the Chamber of Deputies. Jaroslavsky left while the session was analyzing the defense bill.

The source stated that around 1900 today in the Olivos presidential residence, Alfonsin, in obviously good spirits, received members of the U.S. House of Representatives who are visiting the country. The group was headed by Democrat Charles Rangel. The sources stated that the chief of state smiled and exchanged jokes with Raul Alconada Sempe, under secretary for Latin American affairs, and at no time showed signs of being unwell or tired.

JUSTICIALIST PARTY'S SENATE BLOC SPLITS

PY151322 Buenos Aires Domestic Service in Spanish 2300 GMT 14 Aug 85

[Report from Congress]

[Excerpts] We have already reported that the Justicialist Party Senate bloc has split. The new group is headed by Dr Jose Humberto Martiarena, with Oraldo Britos as first vice president, Celestino Marini as second vice president, Senator Bravo Herrera as secretary general, Senator Contes as finance secretary, Senator Bittel as political secretary, and Edgardo Morgia as press secretary.

We must add that the senator from La Rioja Province, Heriberto Sanchez, has told us he does not agree with the creation of any type of new bloc and will act independently. This means there is the possibility that there will be a third bloc of Justicialist Party senators in Congress.

[Buenos Aires DYN in Spanish at 1936 GMT on 14 August reports: "The group will be headed by Vicente Saadi, with Alberto Rodriguez as first vice president and Eduardo Menem as second vice president."]

INTERIOR MINISTER: COUNTRY CALM DESPITE STRIKES

PY151930 La Paz Cadena Panamericana in Spanish 1700 GMT 15 Aug 85

[Report from Government House]

[Excerpt] Interior Minister Federico Kaune has spoken to the national press regarding the situation in the country. He said there is tranquillity despite some social conflicts, sectorial strikes that began in the last few hours. He added that the government has a good grasp of the situation. The minister also referred to the possible presence of former President Luis Garcia Meza in the country. He said that so far the Interior Ministry has no evidence that Garcia Meza is in the country.

PCB ISSUES DOCUMENT ON NATIONAL CONGRESS

PY150341 La Paz Radio Illimani Network in Spanish 1700 GMT 14 Aug 85

[Text] The document issued by the Communist Party of Bolivia (PCB) to publicize the resolutions of its special congress, held between 2 and 4 August, states that it is up to the working class and to the people in general to categorically reject any possible return to a regressive rightist policy, to defend the people's economy by establishing salaries with adjustable clauses, control of prices, and the supply of goods.

At a press conference, PCB First Secretary Ramiro Barrenechea reported that the conflict within the PCB dealt with imposing its program on the Democratic and Popular Unity (UDP). This conflict also exposed a variety of positions.

The document adds that the National PCB Congress was held to implement the rules of a revolutionary party. Present at the congress were high-ranking representatives from throughout the country,

[Begin Barrenechea recording] We Communists feel that the struggle of the Bolivian people has reached a critical moment, and after 1952 all violent confrontations have been marked by a massacre of the people. What we propose is that the people and the masses must have the capabilities to respond to the violence aimed at them. We do not advocate absolute methods or ways of revolution. We do not believe isolated visionary groups could cause a revolution and the victory of the masses. We think that the conditions of the struggle, and in this case of violence, are imposed by the oligarchy's need to use violence to impose its power. [end recording]

Barrenechea added that the conditions for the creation of a leftist front are appropriate. Talks have reportedly been held with the MASA faction of the Movement of the Revolutionary Left, with the 4 March Coordinating Group, and with the Patriotic Popular bloc. There are also strong prospects for holding talks with the Socialist Party One, with the Tupaj Katari Revolutionary Movement, and with others included in the popular and workers movement. Asked about the current political situation and the possibility for a popular struggle, Barrenechea stated:

[Begin recording] We have no decisionmaking power regarding methods or techniques to be used. The masses can respond in different ways to the use of violence. What we consider important for all revolutionaries, for all patriots, is to take into account the history of our country. It is a history of violence, but a history in which the masses have also developed their own methods. The April 1952 rebellion, for instance, shows that it is possible to defeat a much stronger military apparatus. But there are other methods. Bolivian independence is another example [words indistinct] and finally, the almost regular confrontations, so to speak, between patriots and colonialists [words indistinct]. [end recording]

GOVERNMENT TO EXAMINE NEW NICARAGUAN CONSTITUTION

PY150041 Paris AFP in Spanish 2216 GMT 15 Aug 85

[Text] Brasilia, 14 Aug (AFP) -- Brazilian Foreign Minister Olavo Setubal today announced that Brazil will examine the new Nicaraguan constitution to see whether it will be in keeping with the Latin American tradition or whether an alien model will be adopted in the region. Setubal presided over a press conference upon his return from Uruguay, where he had accompanied President Jose Sarney on his trip.

The new Nicaraguan constitution will be one of the subjects to be discussed during the meeting to be held on 23 August by the Contadora Group members and those countries that support the group. Colombia, Mexico, Venezuela and Panama form the Contadora Group and Argentina, Brazil, Uruguay, and Peru form the group supporting it.

Setubal reiterated Sarney's statements in Montevideo where he said that Brazil will not send troops to patrol a neutral zone on the border between Costa Rica and Nicaragua. Brazil, Sarney said, will center its actions in the diplomatic field. Setubal emphasized that it is Brazil's desire to contribute to find a formula that will bring peace to Central America.

MILITARY MINISTERS DISCUSS ROLE OF ARMED FORCES

PY151656 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 85 p 4

[Text] Rio de Janeiro -- Navy Minister Admiral Henrique Saboia, Army Minister General Leonidas Pires Goncalves, and Air Force Minister Brigadier Octavio Moreira Lima have told O ESTADO DE SAO PAULO and JORNAL DA TARDE that the institutions they command are dedicated to professionalism based on the constitutional principles regulating their activities, and that they are not involved in political or party activities.

The statements by the Army and Air Force ministers were made prior to Commander of the Superior War School [ESG] General Euclides Figueiredo's anticommunist statements. Therefore, they are not an answer to those statements, which would not have been necessary anyway.

The military ministers also stated that the unity of the Armed Forces is a reality, and although no longer a part of the military's everyday statements there is no need for this reality to be proclaimed officially. This unity is the result of identical philosophies and coinciding ideas, and it includes officers on active duty and retired officers.

This awareness of unity in defense of legality, nonpartisan positions and, implicitly in the strengthening of democracy, has made a general give up the idea of issuing a manifesto to the nation after the document had been signed by generals and other officers. This document does not attack the new Republic, it supports it. Nevertheless, as it might have been misinterpreted, the militarymen considered its release "untimely."

The tendency prevailing in the three Armed Forces is to strengthen the ministers' leadership. If there had been the prior intention of criticizing previous projects, this intention was put aside because it would not help our institutions during this stage of transition, when we are dedicated to the three principal goals of the Armed Forces: unity, support of political-institutional stability, and professionalism.

The tone of the speech defending unity which was given by Brigadier Mauro Jose Miranda Gandra on Friday, when he handed over command of the School of Commands and the Air Force Joint Command (Ecemar), was cited as an example of the generals yesterday. This speech received a standing ovation by officers and generals at the Campo dos Afonsos [Air Force Base] in Rio.

According to a general, who yesterday looked into the issue, isolated statements, notwithstanding the value of their contents may affect those who make them. He explained that the ministers are now the spokesmen of the three Armed Forces -- more so than at any time in the last 50 years, especially when they deal with national problems.

Another outstanding aspect of their attitude toward Brazil is their optimism, the military ministers remarked. Minister Leonidas Pires Goncalves pointed out that he has served in most of the country's regions and he emphasized that he "is aware of the nation's ability to overcome its hardships, consolidate democratic government, and fulfill the great national aspirations."

The Army minister also stressed the important role the press has played by providing critical assessment, thus showing its confidence in the country's future. He noted "the rapport of the Brazilian Army with the people's ambitions and its sensitivity toward the people's yearnings, according to its values and traditions of freedom."

The Air Force minister expressed his affinity with the common decision by the Armed Forces not to interfere with party politics, to support stability, and to maintain professionalism. Navy Minister Admiral Henrique Saboia said: "In the Navy, we are all concerned with professionalism, efficiently maintaining, supporting, and reinforcing our resources."

"I affirm with certainty that the Navy is totally dedicated to its constitutional obligations and that it has no involvement with any political party. It is solely dedicated to fulfilling its duty," the admiral said.

Admiral Maximiano da Fonseca demonstrated his desire to strengthen the ministers' leadership by not allowing his statements to be confused with those of the minister. Maximiano da Fonseca simply restrained from analyzing projects or decisions made by Admiral Saboia.

The ministers want the provisions of the current Constitution that refer to the Armed Forces to be maintained in the new one. Basically, the ministers stand for Article 90: "The Armed Forces, comprising the Navy, the Army, and the Air Force, are national, normal, and permanent institutions that are organized on the basis of hierarchy and discipline under the supreme authority of the president of the Republic within the limits of the law" -- and Article 91. "The Armed Forces, which are essential to the national security policy, are constituted for the defense of the fatherland, and are the guarantors of the Constitution, and of law and order."

Admiral Saboia said: "The functions of the Armed Forces, as defined in the Constitution, are perfectly clear and there is no reason to modify them." He remarked that "evidently, a constituent assembly will be convened to study all issues with the autonomy, freedom, and authority to write the new constitution. We only want to point out that the role of the Armed Forces is totally adequate for the Brazilian nation."

The new Republic's Armed Forces are dedicated to legality, to democracy, and to the defense of the Republic's sovereignty, according to the wishes of its founder, Tancredo Neves.

Consequently, during the new Republic's first August -- a month traditionally abundant in political-military conflicts -- there should be no cause for uneasiness. President Sarney will preside over the celebrations on Soldier's Day, 25 August, and will listen to and probably sign an order of the day.

The Air Force Minister, Moreira Lima, will hold a meeting with his generals on the Air Force Day -- 15 August -- in Brasilia, to strengthen the camaraderie and unity of the institution. A majority of the officers who in the past met in Rio to conspire, are now supporting the new Republic. Among them is an officer who has plotted against all Brazilian governments since that of President Juscelino Kubitschek.

It is harder now for the "inflexible ones," the ones who still have not adapted to the new situation of the country, to gather a group of plotters, although there are those who insist on plotting. Their success, according to some analysts, will depend on the skill of the political leaders in supporting the government in Congress.

BRIEFS

COFFEE PLANT AGREEMENT WITH PRC -- Sao Paulo, Brazilian private industry has secured a new corner of the market in the PRC by signing an agreement with a PRC state enterprise for the installation of a plant for processing instant coffee. The Sao Paulo-based Cacique enterprises, through its president Horacio Coimbra, has confirmed the agreement, but provided no information on the capital involved or the production and commercialization capacity of the venture. [Text] [Paris AFP in Spanish 2326 GMT Aug 8 85 PY]

PINOCHET DISCUSSES ARMS PURCHASES, AREA RELATIONS

PY150233 Santiago Domestic Service in Spanish 2300 GMT 14 Aug 85

[Excerpts] Chile will abstain from purchasing more high-caliber weapons to the extent that other nations respect the initiative with similar good faith. This was stated by President Augusto Pinochet during a ceremony at the Diego Portales building to decorate 10 government officials who played an outstanding role in the mediation process over the Beagle Channel dispute, a dispute that ended with the signature of the Argentine-Chilean peace treaty. The ceremony was attended by the members of the government junta, ministers of state, under secretaries, metropolitan mayors, ambassadors, the diplomatic corp accredited to Chile and headed by Apostolic Nuncio Angelo Sodano, and Santiago Archbishop Juan Francisco Fresno.

President Pinochet ended his speech with an important announcement about the framework of what is represented by the mediation and peace treaty with Argentina.

[Begin Pinochet recording] The mediation process and its happy ending should be regarded by every country as a true example of support for international law and norms of coexistence between civilized people. In this regard, we have learned with great satisfaction of Peru's decision to freeze arms purchases. The announcement was made by the Peruvian president, His Excellency Mr Alan Garcia, in his speech on the occasion of his presidential inauguration. Chile welcomes and supports this announcement and, with the same spirit, declares that to the extent that other countries of the region support this initiative with similar generosity and good faith, Chile will abstain from purchasing new high-caliber weapons. We thus respond to this initiative convinced that a decision of this nature, followed consistently over the years, will result in greater benefits for our people and in a decisive incentive to channel all our resources for the material and spiritual progress of the men and women of this continent. [end recording]

PDC HEAD CHARGES 200 YOUTHS STILL IN DETENTION

PY151445 Madrid EFE in Spanish 0034 GMT 15 Aug

[Text] Santiago, Chile, 14 Aug (EFE) -- Former Foreign Minister Gabriel Valdes, president of the Chilean Christian Democratic Party [PDC], today charged that a group of young people, including four leaders of his party, have been in detention since 9 August. In a public statement, Valdes said the sanitary conditions in which the 200 young people are being kept are becoming dangerous because the places they are being held, the 1st and 19th Precincts, are not properly equipped.

PDC youth leaders Juan Claudio Reyes, Andres Palma, Manuel Galaz, and Luis Vilches are among those who have been detained.

Valdes alleged that the young people were detained without provocation during the Day for Life, which organized by the opposition on 9 August.

Jose Sanfuentes, secretary general of the Popular Democratic Movement (MDP), today told the evening newspaper LA SEGUNDA that only the united action of all democratic forces will be able to oust the Chilean Government of General Augusto Pinochet. The MDP, which has Marxist leanings, is the main leftist opposition coalition in Chile and has been banned by the military regime.

Moreover, in accordance with principles of the Chilean Marxist left currently in force, the MDP believes the armed action of opposition groups such as the Manuel Rodriguez Patriotic Front, which the government calls the armed branch of the Communist Party, represents the people's indignation. The MDP has said the regime's violence against Chileans cannot be compared with the defensive answer the people have given.

UNION LEADER'S DAUGHTER KIDNAPPED, BEATEN

PY151202 Madrid EFE in Spanish 0136 GMT 15 Aug 85

[Text] Santiago, Chile, 14 Aug (EFE) -- The daughter of a Chilean union leader was kidnapped today by individuals in civilian clothes. She was beaten and 2 and 1/2 hours later was thrown out into the street. The incident was announced by the National Confederation of Construction Workers Unions in a communique that says the girl who was kidnapped is Maria Francisca Iribarren Arrieta, daughter of a leader of the women's sector of that organization.

The communique also states that the unknown individuals threatened the girl's mother with death, and on 9 April both the mother and daughter were present when the construction workers headquarters were raided by armed civilians, who subjected them to humiliating treatment. The communique concludes by stating that the union holds the regime responsible for the lack of security and for the attacks to which it has been subject.

SANTIAGO GROUP FILES LAWSUIT AGAINST CARABINEROS

PY152229 Madrid EFE in Spanish 1442 GMT 15 Aug 85

[Text] Santiago, 15 Aug (EFE) -- The inhabitants of a shantytown in Santiago filed a lawsuit against unidentified Carabinero officers and civilians because of their actions during the Day for Life on Friday, 9 August. The lawsuit filed with the Sixth Criminal Court in Santiago asserts that the defendants acted in a criminal way, committing various crimes during the Day for Life staged by the opposition to General Pinochet's regime. The five people who filed the lawsuit are demanding that the unidentified policemen and civilians be brought to trial for attempted homicide. The charges are based on incidents that took place in southern Santiago during the Day for Life, and that resulted in many people receiving bullet wounds and in one death, as a consequence of the criminal and excessive actions of a group of unidentified Carabinero officers and civilians.

VALPARAISO HOSPITAL TREATS INJURED SOVIET SAILOR

PY132257 Paris AFP in Spanish 2136 GMT 13 Aug 85

[Text] Valparaiso, 13 Aug (AFP) -- Today, according to Chilean authorities, a sailor wounded on board the Soviet vessel Granitjyy Bereg was brought ashore and taken to a hospital in the Chilean Valparaiso port, 140 east of Santiago. The presence of the Soviet factory ship surprised the inhabitants of Valparaiso since the Soviet Union broke relations with President Augusto Pinochet's military regime 12 years ago. The vessel spent 1 hour in the bay while 20-year-old Oleh Korzhenko was taken ashore. The sailor was taken to the German hospital in this port, where doctors today said that he would recover from his injuries. Korzhenko broke his leg while the vessel was fishing in the international waters of the Pacific, more than 200 miles off the Chilean coast.

LIBERAL PARTY NOMINATES BARCO FOR PRESIDENT

PA152012 Bogota EL TIEMPO in Spanish 11 Aug 85 pp 1a, 1b

[Excerpts] The national Liberal convention, which met yesterday at the Gonzalo Jimenez de Quesada Convention Center with the participation of all the country's delegates, unanimously proclaimed the presidential nomination of Virgilio Barco Vargas, former minister, former city mayor, and former ambassador. Accepting the nomination, Barco said that he is committed to the future of Colombia and urged all Colombians to "join in a permanent action of creativity and unity, change, and work in which we will recover the lost time." Barco Vargas, 64, was also appointed sole chief of the Liberal Party, empowered to appoint the Liberal directorate as well as the general staff that will be entrusted with organizing the presidential campaign.

DEFENSE MINISTER DISCUSSES IPIALES ARMS SEIZURE

PA151230 Paris AFP in Spanish 0309 GMT 15 Aug 85

[Text] Bogota, 14 Aug (AFP) -- Colombian Defense Minister General Miguel Vega Uribe said today that the guerrilla groups "have no soul, heart, or human feelings," when referring to the frustrated attack against a battalion in Ipiates, near the Ecuadoran border. He referred to the seizure of a weapons shipment in the same city, located in the Colombian southwest, which was destined for the guerrilla groups. Colombian intelligence services detected the weapons, whose shipment included rifles, guns, machine-guns, grenade launchers, and a large amount of ammunition for the weapons.

In regard to the frustrated dynamite attack on the Cabal Battalion in Ipiates, where dynamite charges were placed in 15 military trucks, the minister described the action as "very grave" for citizens' tranquility. Following a debate in Congress tonight, the minister said: "Fortunately, the plans against the military members in Ipiates were discovered by the intelligence services." He reiterated: "These actions are very serious not only for the military forces but for the civilian population."

He added that the guerrilla groups "have no soul, heart, or human feelings, because the only thing that matters to them is inflicting damages; they do not care if innocent people die because they lack mental and moral reflections."

The seized weapons were made in Brazil and it was revealed in Bogota that the weapons were apparently stolen from the Ecuadoran Army several weeks ago by the "Alfaro Lives" movement.

M-19 LAUNCHES ATTACKS ON BOGOTA TELECOMMUNICATIONS

PA121925 Paris AFP in Spanish 1708 GMT 12 Aug 85

[Excerpt] Bogota, 12 Aug (AFP) -- Last night the Colombian guerrillas attacked the telecommunications installations of the police in Bogota and tried to attack the central market in Bogota. Both attacks were foiled, leaving a toll of two dead (one police noncommissioned officer and one guerrilla) and two wounded policemen, the Defense Ministry reported. These attacks which are blamed on the M-19 [19 April Movement] took place almost simultaneously at 0200 hours.

The Bogota police commander said that the large Corrabastos market, in southwest Bogota, was attacked by the guerrillas with grenades and mortar fire and that the police repelled the attack, which forced the guerrillas to flee. One policeman was wounded in this action.

Shortly thereafter, the telecommunications central of the police in Alto del Cable (southeastern Bogota) was attacked. Two rockets caused damage and briefly interrupted the telephone communications of the police.

The Defense Ministry reported that in this case the guerrillas were also repelled and the damage repaired. One noncommissioned officer and one guerrilla were killed during this attack. Another policeman was wounded. The guerrillas were being pursued this morning in the hills of southeastern Bogota, the ministry added.

An M-19 unit this morning briefly occupied the installations of a private radio station of Bogota, Radio Super, to broadcast a message to the people.

Without claiming last night's action, the no 2 man of the M-19, Carlos Pizarro, said that the guerrillas "had moved on to the offensive" against the government "that has not made social peace." This would be the first important attack of the M-19 in Bogota since it broke the ceasefire.

FARC, DISSIDENT WING RENEW CLASHES; 7 KILLED

PA151924 Bogota EL SIGLO in Spanish 13 Aug 85 pp 1, 8

[Text] Four peasants, including a 5-year-old child, and three leftist guerrillas were killed yesterday as a result of new, violent clashes between columns of the self-named Revolutionary Armed Forces of Colombia (FARC) and the "Ricardo Franco" front, a dissident wing of that rebel organization.

Early official reports reveal that in the rural sector of La Laguna, in Jambalo municipality, northwestern Cauca Department, the two subversive organizations clashed again. During the extended combat, three peasants and a child riding a station wagon driven by merchant Marino Ibarra Manquillo ran into a crossfire and were killed instantly. Other merchants suffered serious injuries. According to official reports, the rebels suffered three casualties.

The authorities feel that the casualty figures for the two fighting fronts of the FARC and the "Ricardo Franco" group, a dissident wing of that leftist organization, could increase substantially. The self-named FARC has been fighting the "Ricardo Franco" Front, led by deserter Javier Delgado, for the past 6 months. The first clashes took place in the Colombian mountains and left a preliminary toll of 14 dead between the two groups. Later, after accusing its leaders of being traitors, the self-named commander of the "Ricardo Franco" Front, Javier Delgado, affirmed that they would fight FARC to the last consequences.

The Cauca Police Department provided the following list of dead in the bloody episode: Rosa Helena Toconas, Simon Pacho, Efren Chaguendo, Juvenal Pacho, Marino Ibarra Manquillo, Oscar Javier Manquillo, and Isidro Parra Montes.

YOUTHS END OCCUPATION OF AFP OFFICE IN BOGOTA

PA142052 Paris AFP in Spanish 1949 GMT 14 Aug 85

[Text] Bogota, 14 Aug (AFP) -- The 15 individuals who invaded the AGENCE FRANCE PRESSE office in Bogota last night and held 5 members of the agency's personnel as hostages left the office quietly this afternoon, after 21 hours of peaceful occupation.

The action was staged by a group of youths whose objective was to pressure the regional authorities in Zipaquira, located approximately 40 km north of Bogota, into legalizing the occupation of lots by peasants. The same group occupied the UPI offices some months ago.

With their faces covered by ski masks and handkerchiefs, the occupants left the AFP offices shouting slogans, following the mediation of the Colombian Red Cross and two priests from Zipaquira who sympathize with liberation theology. As agreed during the negotiations, the police, who had been present since the previous day, did not intervene.

The AFP office in Bogota has been occupied four times during the past 2 years: first by the 19 April Movement [M-19], then by the National Liberation Movement, again by the M-19, and lastly by the inhabitants of Zipaquira.

The governor of Cundinamarca Province will meet with the Zipaquira peasants on Friday morning in order to complete the necessary formalities to legalize the occupation of the land under litigation.

ECOPETROL DISCOVERS HIGH-QUALITY OIL FIELD

PA151910 Bogota EL TIEMPO in Spanish 11 Aug pp 1 A, 2 A

[Excerpts] Campo de Aplay, Meta, 10 Aug -- Colombia has oil fields of the highest quality of up to 58 degree API [American Petroleum Institute], which experts believe is almost pure gasoline. They have been found by Ecopetrol [Colombian Petroleum Enterprise] in this area of the eastern plains where three promising fields with reserves of more than 100 million barrels operate. Part of the Ecopetrol oil in this region is of a quality that is superior to the light crude in the rich fields of Cano Limon in Arauca which have 36 degree API.

According to Ecopetrol technicians, this is the best quality petroleum that has been found in the country. A sample of this crude was shown to a group of journalists who visited those fields to confirm their excellent quality.

Ecopetrol found the 58 degree API crude, which in the opinion of experts could be used for gasoline, in the Aplay VIII well whose current production is 2,000 barrels per day. In the La Reforma well, whose testing has just begun, it found 48.9 degree API crude which is also of very high quality.

However, the Ecopetrol technicians said that the fields that are being found are not very big although jointly they do represent an important production center for the country with reserves of more than 100 million barrels.

In addition to petroleum, the Aplay and nearby fields also have the capacity to produce 12 million cubic feet of natural gas per day with the possibility of increasing this figure to 25 million in the next few years. Ecopetrol has stressed its large direct participation in the new levels of national petroleum production in the past 2 years. It is estimated that by the end of 1985, the country's total production will be close to 180,000 barrels per day and that by 1987 it will be approximately 350,000 barrels per day. Until 30 July 1985, production was 176,500 barrels per day. Of these, 71,000 barrels were directly produced by Ecopetrol, 69,000 barrels by partnership contracts, and 36,400 by the fields that are still being exploited with concessions.

"Taken as a whole, these results guarantee progress towards self-sufficiency, beginning next year, and the export of the surplus," according to Ecopetrol technicians and officials.

FEBRES CORDERO DELIVERS STATE OF NATION ADDRESS

PA122311 Quito Domestic Service in Spanish 0120 GMT 11 Aug 85

[State of the nation address by President Leon Febres Cordero at the National Congress -- live]

[Text] Msrs Vice President of the Republic, [applause] President of the National Congress, [applause] Your Excellency the Apostolic Nuncio, [applause] Ministers of State, [applause] Your Excellencies ambassadors and heads of diplomatic missions and international organizations, [applause] President of the Court of Constitutional Guarantees, [applause] President of the Supreme Electoral Tribunal, Your Grace the Archbishop of Quito, members of the expanded Cabinet Council, [applause] Honorable legislators, [applause] Commanders of the Armed Forces and National Police, [applause] distinguished civilian, military, police, and church authorities, [applause], ladies and gentlemen:

The Constitution has wisely designated 10 August as the date when the president of the Republic reports on how he has conducted the affairs of state and informs the citizens of his views regarding the country's situation. [applause] No date is more appropriate for the Ecuadoran people to appraise their country's situation. On this date government leaders and citizens focus their attention on the nation's affairs, and in so doing, inevitably draw a link with the memory of the statement issued on 10 August 1809, which not only marked the beginning of Ecuador's republican life, but also set the example and set the pace for the rest of Spanish America. Quito was thus termed the light of the Americas, and as such, all Ecuadorans must see to it that that light remain lit here and throughout the continent. [applause]

To America and the world, 10 August stood for the conviction developed in Quito that colonial domination had to end because justice and history so demanded; the challenge to the organized power of the metropolis; the expression of principles then new and now eternal that arose from the awareness that it is the individual man which ultimately justifies political power and its structures; the participation in public life of citizens of all walks of life and social classes united by the same bold and courageous ideals; the proclamation of inalienable individual rights; and the commotion of a Franciscan city created by the arrival of those new days of freedom and human dignity.

As we approach the end of the 20th century, Ecuador and all of Latin America is experiencing a deep reorganization of political principles and the democratic system of government. For many years the conscience of the continent was lax and tolerant toward regimes born by means other than through the people's sovereign will. In many places public sensibility was suppressed through the systematic trampling of human rights. In some cases the lack of freedom was justified by acceptable economic behavior; in others not even material gains were present to justify the imposition of tyrannies.

Those stages have fortunately been overcome, thanks to development and awareness, to social awareness, and to a well-organized system of development intent on safeguarding human rights beyond all the needs of political and economic power.

This is the new history of America and the world, where, by decision of the Ecuadoran people, who imposed their will on the most sophisticated mechanisms of manipulation, I was chosen to lead this Republic.

Our concept of democracy is not the formalist position that judges conditions according to the good or bad results of an election.

For us, democracy is the system that allows the authentic expression of the people's will to choose through popular vote and the representative system the future peoples seek to crystallize their highest personal and social aspirations. For us, democracy is not and cannot be anarchy. It is the system within which no one group can impose itself on the will of the majority and in which no citizen should be denied the right to express his hopes and receive the respect within the framework of his political and social rights.

We are living in democracy. It is a system in which the president of the Republic has received the mandate to represent, direct, and administer democracy. The functions of lawmaking and oversight are conducted by the National Congress and justice lays within the judicial system. The three act within the Constitution, independently, mutually respecting each other, and with a view toward the grandiose future of Ecuador.

When I assumed office on 10 August 1984, I pointed out the errors of days when actions were perverse and irresponsible and hurt the national interests. Ecuador experienced an abnormal situation. The election of 1984 did not only imply transfer of power. It either marked the beginning of the final stage of a systematic system of destruction of Ecuadoran institutions, social harmony, and peace, or the beginning of an active, decisive, and rapid process to restore national values, and thus assure nationals the rights to which they are entitled and the hopes without which no society can continue toward positive historical development.

Even twisting constitutional and legal norms, a small, yet bold group of citizens linked to the political transnationals employed methods aimed at holding on to power centers indefinitely. Our society was facing a phase of struggle, confrontation, and resentments. Those in power fostered the promotion and strengthening of sectarian appetites and petty interests as a form of government, because of a lack of vision regarding the nation's general problems. Instead of fomenting harmony, eliminating conflicts, promptly solving problems, and enforcing the law with justice, the problems were left unsolved. Thus, passions prevailed, and there was not a state of law. Instead, arrogance, hatred, whims, and favors were the rule.

Only and exclusively thanks to the nobility of the great Ecuadoran people, to the enormous adaptability that the Ecuadoreans have shown throughout their history in facing extremely difficult situations with great prudence, tolerance, and extraordinary serenity, prevented this permanent invitation to confrontation from producing unmanageable results.

In any event, we assumed power in face of a society that was profoundly divided, discouraged, and skeptical about its leaders, and sometimes it was even reluctant to abide by the law. The social problems Ecuador faced in 1984 were countless. Innumerable sums of money were devoted to political propaganda on behalf of sectarian political organizations. Meanwhile, the lacerating drama continued: Unfinished hospitals, or lack of equipment; an obsolete social security system that only fulfilled exaggerated bureaucratic requirements; permanent shortage of sufficient educational centers; almost absolute neglect of children, expectant mothers, the handicapped, and elderly people. Unfortunately these, among other things, were the predominant factors in a society abandoned to its own means, and scorned by the elements of power. [applause, shouts]

The country's economy was handled with wicked political goals, and had been led to a level of destruction that will never, never be properly calculated. [applause] As the state created more and more decisionmaking centers, the production sectors were persecuted. This was not directed at those who broke the law, but was indiscriminately directed at the production sector in general.

The public debt was imprudently and uselessly becoming larger; the creation of non-productive activities was encouraged; the state budget consumed all available resources. Moreover, beginning in May 1981, when a war economy was decreed in Ecuador, a policy to restrict production and trade was launched.

Meanwhile, our foreign debt continued to increase to hair-raising proportions -- our public debt increased by \$3 billion. The results were evident soon: galloping inflation, which broke up a longtime and serious tradition to maintain the buying power of Ecuador's monetary unit, a strange and inappropriate process of devaluation, and the malicious intervention of Ecuador's Central Bank in the country's exchange market.

Never, ever, did Ecuador imagine that the inflation rate would reach 60 percent. The unimaginable actually happened: there were several devaluations of the official exchange rate from 25 sucres per dollar to more than 65 sucres per dollar. Meanwhile, in the free exchange market, the rate was more than 90 sucres per dollar.

In view of such huge gaps between official and free market exchange rates, fraudulent methods to obtain foreign currency flourished. Over-invoicing of imports and under-invoicing of exports became the easiest way to carry out the greatest speculative business in the country's history.

Our government discovered the greatest achievement of the dishonest, which was not only over-invoicing and under-invoicing. They also continuously pretended that incredible amounts of imports arrived in the country when there was actually no merchandise entering the country at all. Documents showing the opposite were forged daily to obtain undervalued dollars from the Central Bank, take them to the free market, and thus obtain great profits.

The debt renegotiation during the previous administration was carried out in such a way that payments due in 1983 and 1984 were extended. The government that took over in August 1984 faced the crude reality of having to renegotiate all payments on the first of its tenure. In doing so, it did not want to use up 75 percent of the country's exports to service and pay off the foreign debt.

This outlook was worsened by the harassment of producers, especially food producers. The establishment of political prices -- the name given to fixed prices lower than the cost of production of many products -- and land invasions that were either tolerated or encouraged by the government are two examples of this. No measure aimed to stop the increase in the cost of agrarian inputs. Moreover, the import of all kinds of seeds was prohibited.

The result was obvious: In 1983, food production increased to over \$400 million [not further explained] an unheard-of figure in a country allowing the cultivation of almost all foods grown in all kinds of weather. [sentence as heard]

During our electoral campaign we denounced all these breaks in our social structure. This was not only a campaign strategy, it was a serious charge about everything that had been destroyed. We made a pledge to reconstruct the country. Our path was not an easy one; we had to mend mistakes made by others.

We aimed to immediately reestablish social harmony. To that end, we have not resorted to the irresponsible complacency resulting from the weakness that some are even calling a virtue; namely, to yield again and again in the face of pressure.

Our administration's actions have confirmed our pledge during the electoral campaign that a firm and indefatigable exercise of authority within a legal framework is an unavoidable condition for social peace. [applause]

Moral values had to be restored because honesty was not the only fundamental thing. Politeness, courage, and austerity also had to be enforced, starting with the highest officials. We have sought to irradiate the concept of public service, sacrifice for the welfare of others, and a courageous attitude concerning the pains and risks of a public post. We have made much progress concerning abuse, and the aberrant centers of power, where there was only greed and disregard for human rights, are disappearing little by little. [applause]

We have attacked income tax evasion, we have efficiently and effectively controlled foreign trade, we have eliminated foreign currency speculation, and we have banned the distribution of jobs as the price for ignominious settlements. The productive sector is improving noticeably. A financial collapse was avoided. Investments and employment have increased. The budget has been balanced. Mining activities -- almost erased from memory since colonial times -- are appearing again. Drilling for hydrocarbons has started anew. Foreign investors come to Ecuador because trust prevails at the personal and corporate levels. Our campaign pledges to the people are sacred. The employment offers are increasing. A housing plan has started. Production of food has increased, although less than predicted, due to adverse weather conditions. Riches are being distributed better, so that the welfare of the masses is served. Child care centers are being built. The low-priced medicine system is about to be enforced, and the rich will help care for the poor people's health. [shouts, applause]

In sum, following 1 year of government, it is satisfactory to find that the bases for a national reconstruction have been laid, production has increased; there is more harmony among the citizenry, social morale has been rescued, and all are hopeful again. The option chosen by our people on 6 May 1984 has not been in vain.

Economic policy

It is difficult to imagine a more complex and disjointed economic situation than the one left by the previous regime. The country was immersed in a grave recession; the gross internal product had decreased 3.1 percent in 1983; the product per capita had decreased 5.8 percent; external credit was not available at all; monetary reserves barely surpassed \$100 million; debts pending payment were close to \$400 million. Several debts to the Paris Club were past due, the country had to pay more than \$1.7 billion in capital and interest, \$300 million in anticipated oil sales had been spent, and the National Defense Board's funds were illegally appropriated. On the fiscal side, on 15 August 1984, miracles had to be made to find the funds for meeting the public employees' payroll that month. Given this grave situation, the government had the enormous and difficult task of tackling an economic plan that comprised two great areas: 1) the macro-economic measures that had to regulate the economic activities in general and produce correct economic signs; 2) the sectarian policies aimed at strengthening the production in all the country's sectors. Both had to be coherent and congruent; this was and continues to be possible given that the national government had an economic plan that was not improvised, but derived from a conscientious analysis of the dramatic national reality.

The foreign sector reflects the crisis of any open economy. This is why the government is implementing corrective measures via significant changes of the exchange system to strengthen the foreign sector.

Weeks after the government took power, it replaced a complex and inefficient multiple system of [currency] exchange with a much simpler one that established a realistic exchange system for exports and most imports. In addition, a lower exchange rate was maintained in the official market for the most basic imports.

Later, the government transferred several import items [preceding word in English] from the official market to the market taken over by the Central Bank. This has been a gradual adjustment process that has spared Ecuadoreans from having to pay a high social price.

The simplification process included the simplification of a complex system of import payments. In practice, the previous payment system involved the use of something like 15 import lists. [as heard] Mini-devaluations were eliminated as well; thus a negative element which loomed around the country's economy was removed.

The result was soon apparent; between September and December 1984, exports of nonpetroleum products, that is those products that are sensitive to the exchange rate, doubled in price compared to the same period in 1983.

Today, as we mark 1 year in government, the recovery of the foreign sector is evident. Payments due on the debt of almost \$400 million were reduced to less than \$200 million; in addition, with a (?\$200 million) loan, which will be signed in 4 days, the country will be completely up-to-date in all foreign accounts. [applause, crowd shouts slogans]

Once these measures were implemented, the government's economic team immediately began to refinance the foreign debt. The government informed the international financial community of the need to establish a realistic long-term agreement that would allow the country to plan and execute internal economic policy with greater freedom and without the pressure of foreign obligations. Without an adequate agreement, all sectarian efforts would have been destroyed by the untenable weight of the foreign debt. It is because of this that within our great macroeconomic policies, the refinancing of the foreign debt received so much attention from the government.

Within a few weeks of negotiations, the country arrived at a good agreement with its creditors, which would not have been possible without the image of seriousness and responsibility that the government has given the international community. Ecuador refinanced debts with international banks that had deadlines between 1985 and 1989. We must add that these debts represent approximately 95 percent of what we owe the private international banks. Three grace years, and a 12-year time limit were attained, interest rate margins were reduced, certain commissions were reduced, and other commissions were eliminated. All in all the country will save more than \$200 million during the next 5 years. [applause]

We must emphasize the difference between what we inherited and what the next government will inherit as far as the foreign debt is concerned. In our first year of government we had to pay more than \$1.7 billion, and of this \$1.1 billion went to service the capital. The next government will pay less than \$100 million toward capital payments in 1988, less than \$220 million in 1989, less than \$330 million in 1990, and \$431 million in 1991. This means that during the next regime's entire term the government will have to pay less than we would have had to pay during my first year of government if the debt had not been refinanced. [applause]

In October a contract was signed with the FDS [expansion unknown] which is well-known by the country. This has been the first serious attempt to control illicit foreign trade practices, such as over-invoicing imports and under-invoicing exports. All that has been done in the foreign sector has resulted in changing the country's image; the monetary reserve has improved and is no longer the bottleneck of the Ecuadoran economy, which it had been in the past few years. Within these great changes in foreign policy, economic policy has been a bulwark of the present administration, because a country cannot have a healthy economy when its expenses and spending are out of control.

Therefore, from the beginning of our government we began the difficult task of controlling expenses, as well as increasing income, and guiding the use of resources toward the priorities of the government's economic policies, reactivating agricultural production and mobilizing it, supplying vital products, and allotting funds for low cost housing.

Income from taxes, trade transactions, and customs have notably increased and are way beyond the inflation rate, thus producing a real increase in revenues. This is how the difference between ordinary income and total income rose from 59 percent in 1982 to 80.6 percent in 1984, allowing us to reduce our percentage of credit use. In the August 1984 to May 1985 period, income from internal taxes totalled 34,700,000 sucres, while in its last year the previous regime collected only 23,906,000 sucres. The increased income is not a chance incident. It is due to the fact that there are no corrupting power quotas, and also due to really professional auditing programs initiated by the Finance Ministry. This serious effort has for the first time in decades allowed a serious and responsible consolidation of the central government's social security debt. These payments are presently up-to-date.

Our monetary and credit policies are also a fundamental part of our macroeconomic policy. For the first time in the country's history a realistic monetary and credit program has been established, which has brought increased lines of credits from the Central Bank and financial institutions. This has allowed financial intermediaries to carry out an adequate program for all of their activities. [applause]

Our credit policy, through the Central Bank, reflects the government's policies. Resources have been preferentially assigned to the agricultural sector through the Development Bank, a line of credit of 3 billion sucres was created for the construction of social-interest housing, and resources were channeled to mobilize production for internal consumption as well as for exports. Within the monetary and financial policy field, a mechanism of savings was created which proved very successful -- the accumulation policy. In only a few months, this policy has collected more than 20 billion sucres, and a good part of these resources was abroad. The accumulation policy demonstrates the great cohesiveness in the government's economic policy, as it created a mechanism of savings that strengthens the financial system, and also is an important stabilizing factor in the foreign currency market. All in all, the great reforms in economic policy have guided the firms, the financial system, and the Ecuadoran state itself to experience reality for the first time in many years. This is why we have promoted the elimination of the majority of the inefficient and unrealistic price controls, we have maintained a policy of gradual openings for imports, and we have worked on a new tariff scheme to reduce imports.

Those who predicted that the government's economic policy would be monetary, neoliberal, shocking, (?exploitative), and lacking in controls, now have a lot to meditate about.

Honorable legislators, the economic policy is either good or bad, accurate or wrong, realistic or unrealistic. The government has demonstrated that its policy has been successful; therefore, its policy is good, accurate, and realistic. [applause, slogans] These broad guidelines served as the basis for the implementation of the sectarian policies for developing production which I will describe later and which are also detailed in the ministers of state's reports to the national congress.

Planning

I wish to state my gratitude to the vice president of the Republic and through him [applause] to National Council for Development [Conade] for its exemplary planning and establishment of priorities for the government's work.

The scantiness of the resources we inherited has made it necessary to select projects carefully in order to avoid the duplication of efforts and rationalize the use of the state's resources to the maximum. In all these areas, Conade has made a valuable contribution to the action of the ministries of state and the national government. The vice president of the Republic who, in accordance with the Constitution directs Conade, has collaborated with the presidency of the Republic, not only with the skill that befits his lofty actions, but with the nobleness that characterizes a great man and a gentleman. [applause]

Agricultural and Livestock Sector

It was essential to achieve the recovery of the agricultural and livestock sector. In order to do this, the first thing was to guarantee both land holding so it can fulfill its social function of producing rationally, and profitability for the producer. It is no less important to use natural resources rationally and have the private sector participate effectively and permanently in the processes of agricultural and livestock production and marketing. A price policy has been established which encourages producers and protects consumers. This policy includes a national service providing market prices and information. In addition, we are creating a national system of silos and storage, which will be operated by producers themselves. A fund for rediscounting loans granted exclusively for this purpose will operate in the Central Bank with external cooperation. [applause]

The credit for the production and marketing of potatoes, soybeans, corn, and cotton, among the major crops, has been increased considerably. The industrialist has been forced to buy national raw materials preferentially, as is the case with oleaginous seeds, barley, wheat, corn, cotton, etc. [applause]

A process for the renewal and restoration of coffee and cacao plantations has begun and an effort has been made so that technical assistance can be permanent, effective, and integral. However, the contracting of plant sanitation controls has been left in the hands of banana producers.

Finally, the coffee census has concluded its field and data codification stages. Its results are essential to redirect the country's coffee policy.

The development of the cattle sector has favored the principal agricultural and livestock species of productive importance with technical assistance, the distribution of top-quality breeders, marketing studies, the quality control of milk, mobilization, and cattle slaughtering and dressing. Cattlemen have been given facilities to import top-quality breeders that produce milk, meat, or both in an unprecedented fashion.

The national government has begun regulating the exploitation of forests in order to handle those resources rationally. Six million plants were distributed among various peasant organizations to replenish forests, form protective forests, and for decorative purposes. [applause]

The rural development policy has been set forth in eight projects currently under way that benefit 600,000 peasants, and in 32 community development projects that cover 44,000 hectares and benefit 6,800 families. With the National Institute for Peasant Training, various activities for the training of peasants have been carried out and multiple tasks have also been coordinated with the Integral Rural Development Secretariat.

The public institutions associated with the agricultural and livestock sector had to become more dynamic and effective.

The Ecuadorean Institute for Water Resources has become a good leader in the use and conservation of hydraulic resources. During a 10-month period, 10,810 hectares have been incorporated to irrigation through the advancement of the Latacunga, Salcedo-Ambato, Jimenez, Cevallos, and San Vicente de Pusir projects. The Ambato-Huachi-Pelileo, and Quinde projects, which are currently being bid on, will be added to the above. The Santa Isabel irrigation infrastructure project will be executed immediately with a 900 million sucres credit from the Ecuadorian Development Bank. [slogans] A total of 470 million sucres were invested to control floods, and the design of the Tres Cerritos Dam, the Figaro Project, and the Patococha Project are being bid on. The loan contract between the International Bank for Reconstruction and Development and the CEDRI [expansion unknown] for the execution of the Ambato-Huachi-Pelileo-(Mochachero)-Ladrillo project has been formalized, and the engineering studies for the (Quinia) project has been concluded.

In the field of agricultural and livestock research, attention has mostly been given to the development and multiplication of seeds, the search for more suitable planting methods, the control of major plagues and diseases, and the development of better methods, for handling, reproduction, and feeding animals. In matters of agrarian reform, a socioeconomic and nonpolitical solution is being provided. In addition to guaranteeing private property, which fulfills its social function of producing rationally, a ban has been issued against the sectioning of plots of land less than 8 hectares. A land bank is being created to finance the integration of plots, unacceptability certificates are being issued for deficient plots of land, and property titles are being distributed after pending for a long time. [shouts] This has made it possible to allocate 43,803 hectares through agrarian reform and 174,232 hectares through colonization. In accordance with the law, 820 plots of land have been affected, while the Sua-Pedernales, Tobar Donoso, Loreto-Coca, Palora-(?Huamboya), (?Lita-Buenos Aires), and (Quinhucuy) projects have been promoted.

The Agriculture Ministry has been carrying out various projects with the support of international organizations or the governments of friendly countries. The projects have diverse goals: eradication of plagues and diseases, the financing of input materials, technical assistance to conduct basic studies, rural training, the marketing and storage of agricultural products, agricultural credit, the transference of technologies, research, agricultural and cattle development, agricultural education, irrigation, and so forth. These projects have meant an investment of \$598 million from the AID, the IDB, and the IBRD. We are conducting bilateral projects in forestry, crop protection, and livestock development with Germany [not further identified]; in agricultural mechanization with Italy; in cheesemaking in rural areas with Switzerland; in forestal development with Belgium, and in rural development studies with France. [applause] We are also studying a program to market perishable foodstuffs with Italy.

Rural Sector

The government has always tried to funnel financial and technical resources to marginal rural sectors. During our first year in office, the Marginal Rural Development Fund [Foderuma] has granted 790 million sucres to finance 107 projects in 18 provinces, thus benefitting 317,000 Ecuadoreans; that is, 12 percent of the marginal rural population. The funds granted are equivalent to 66 percent of the credits Foderuma has granted from its foundation in June 1978 to August 1984. [applause] Out of its fund of 790 million sucres, 78 percent -- 620 million sucres -- have been earmarked for loans, and 22 percent -- 170 million sucres -- for nonreimbursable loans. Foderuma has signed 25 agreements with several national agencies to build infrastructures for roads, education, electrification, supplying water for human consumption and irrigation, health, and training.

The Secretariat for Full Rural Development, SEDRI, has organized nine projects and concluded three additional projects. SEDRI is coordinated from the presidency and its goal is to help peasants regain trust in their capabilities to solve their problems. Peasants can no longer continue to be subject to sectarian manipulation or restricted propaganda. For that reason, SEDRI's capacity to implement and draw investments to rural sectors have been increased in collaboration with other government agencies. During my administration, SEDRI has used 600 million sucres for programs such as rural roads and irrigation, and it will soon undertake projects totalling to approximately 8 billion sucres, 20 percent of which will be used immediately. [applause]

Industrial and Commercial Policies

Due to the negligence of the previous administration, Ecuador's industry entered a deep crisis.

Its very survival was at stake. Stopping the level of unemployment stemming from a series of bankruptcies within the industrial sector set the tone for the actions by the executive branch. In January 1985, a regulation implementing the industrial development law was issued for the first time in 18 years. This was a legal instrument essential to unifying dispersed regulations aimed at promoting and protecting the country's productive sectors, rationalizing tax exemptions, and expediting the procedures of the Industries, Commerce and Integration Ministry. Selective foreign investment plays a major role -- as long as it complies with our requirements and laws -- in the process of industrialization and in the economy in general.

Ecuador is seeking aid from foreign capital on a risk sharing basis, especially using our natural resources for the benefit of our people. Our country, Colombia, and Venezuela, all of which belong to the Andean Pact, have regulated Resolution No 24 of the Cartagena Consensus on opening to foreign investments. Moreover, our country has proposed the innovation and amendment of such a legal instrument for the sake of the subregion's countries. Thanks to this technical and political standpoint, during my first 10 months in office the MICEN [expansion unknown] authorized foreign investments totalling over 4.255 billion above the investments between August 1983 and June 1984. [applause] Between 1984 and 1985, investments of 8.52 billion sucres were made. Of these, 5.535 billion were in direct foreign investment, a much higher figure than the 2.332 billion sucres corresponding to the immediately preceding period.

The government's philosophy and policy that the foreign debt can only be paid by increasing exports has led to a deepening and improvement of bilateral and multilateral relations, and to the diversification of sales abroad. This effort is complemented by a selective imports policy. Moreover, the principle of commercial reciprocity has been implemented whereby we favor purchasing from those who buy from us. Ecuadoran exports between August 1984 and July 1985 have grown by 11.3 percent with regard to the corresponding preceding period. Primary products such as oil, bananas, coffee, and [word indistinct] totalled 86.5 percent of the total exports. Regarding imports, state purchases of staples have complied with the government's goal to provide for the consumption of foodstuffs such as wheat and by-products. This has resulted in a guaranteed supply to last until May 1986. Therefore, we have ensured price stability for these products on the domestic market. To conduct this program we obtained a \$15 million credit through the PL-480 [expansion unknown] line, under highly satisfactory conditions for the country, that is, a 19-year payment period at a 3 percent annual interest rate. [indistinct shouts]

After MITEL [expansion unknown] resumed its job of labeling and approving the exchange and compensation agreements, the exportation of Ecuadoran products was diversified.

We managed to open new foreign markets and to regain others as well. We have made efforts to export products that have difficult access to the international market, and have thereby improved our commercial balance, payment balance, and international monetary reserves. Industrial activities are being reoriented toward the manufacturing of products with a broad domestic base such as agro-industrial, mining, and livestock production; and towards those industries which use a high percentage of domestic elements such as raw materials, labor, intermediate goods, services, and so on. We are promoting any activity preferentially oriented toward exports and that provides support to efficiently substitute industrial activities that bring the country foreign currency savings.

In this context, and within the existing legal framework, the government adopted a series of measures aimed at reorienting the industrial development plan as demanded by the country's economic sectors. The level of national participation is important within the national government's goal to achieve an industrial reactivation and create employment. The actions undertaken will allow the creation of 15,000 direct jobs in the area of production, as well as 60,000 indirect jobs.

In our bilateral relations with the Latin American Integration Association member countries we have increased the trade commitments between Ecuador and Argentina to \$50 million. With Venezuela, we have agreed on an exchange of nontraditional products totalling \$5.6 million. During the meeting between the Colombian and Ecuadoran presidents held in Rumichaca, a commitment on reciprocal trade was made totalling \$25 million for a period of 180 days. For the second semester of 1985 we agreed on reciprocal trade totalling \$35 million thereby reactivating trade with Colombia, which has been virtually closed.

With this agreement, products such as canned sardines and mackerel, fishmeal, (?Sorbitol), anisette, electric tools, sewing machines, and aluminum frames will have a permanent place on the Colombian market. [applause] Agreements have also been reached between Ecuador and Peru. A reactivation of the trade exchange is also expected through these agreements.

Within this context, special importance will be given to the establishment of free zones in the country. With the establishment of these free zones we will not only find certain reductions in taxes, but also the establishment of a complete system that will allow the introduction of raw materials, investments, products for storage, and so on, and the sale abroad, without any obstacles, of all products produced within these free zones.

Energy and Mines: Ecuadoran State Petroleum Corporation [CEPE]

The adequate use of natural resources and the attraction of foreign risk [de riesgo] capital which, respecting Ecuadoran laws, is brought to generate jobs, has been a priority of my government. Special attention has been given to the area of oil, which generates more than 60 percent of the exports. During the first 9 months of government through May 1985, CEPE produced 10.1 million barrels of oil in the country's north-eastern sector and 368,000 barrels in the Santa Elena peninsula. In the next 3 months, a production of 3,634,000 and 115,000 barrels respectively, is expected.

In December 1984 with an investment of approximately \$29 million, the CEPE-Texaco consortium completed the Susufinde-Aguarico project, which was paralyzed by the previous government. With the completion of this project and with a water injection system, oil production was increased by 10,000 barrels per day. The reserves grew at volumes equivalent to 21.5 percent. These reserves are divided into: 186 million barrels in Susufinde, 48 million barrels at the (Dureno) field, and 9 million at the Auk field. In February 1986, we will begin the secondary recovery of the Sacha field at a cost of \$18 million. This will increase oil production by 9,000 barrels per day.

After 12 years, during which not a single oil exploration contract was signed, we have signed three. One is with the Occidental Petroleum Company that is investing approximately \$50 million in Block No 15 of the Amazon region. The development and exploitation phase for this field will last 20 years and \$200 million will be invested. The second is with Esso Hispano Oil for Block No 8 in the Amazon region. This investment will be approximately \$30 million and, during the development and exploitation phase, the investments would be greater than \$200 million. [applause] The third is with the Belco Company for Blocks No 1 and 2 off the coast of the Santa Elena peninsula and in the Gulf of Guayaquil, and the eventual construction of the 100 km oil pipeline. The exploration phase will represent investments of approximately \$30 million and the exploitation phase will represent investments exceeding \$500 million.

We also signed a contract to expand the Esmeraldas Refinery. This was done with the Sumitomo-Shiyoda consortium. The cost of this project exceeded \$114 million. The plant will go into operation in the second half of 1987 and from the moment it begins operating we expect to save approximately \$127,000 per day. The contract for building the Amazonas Refinery, with a processing capacity of 10,000 barrels per day, will be completed this year.

In the area of transportation, the work on the Tres Bocas-Pascuales multiple pipeline has been completed. It went into operation in June of 1985. The documents to bid for the study and design of the Pascuales-Cachitama-Cuenca-Machala multiple pipeline are ready. In May 1985 we inaugurated the expansion works for the Trans-Ecuadoran oil pipeline. With this expansion, the daily transportation capacity rose to 310,000 barrels per day. The work on this expansion began in December 1984 but was paralyzed by the previous government. The investment cost was \$14 million.

Regarding storage, we must stress that CEPE placed the crude oil tanks in Balao and at the Pascuales terminal into operation. It also carried out complementary works such as access roads, lighting water, and drainage systems.

The most important of the projects involving gas have been the bid for the construction of the gas cylinders, the completion of the electromechanic system, and complementary works at the Santral Gas Bottling Company. Unfortunately, our country had to face the vulnerability of the oil market. However, we managed to achieve good stability in our long-term contracts. The international oil market continues to be sluggish with a predominance of a spot market and with considerable drops in the official and spot market prices. Among other things, this is due to overproduction, nonobservance of official prices, a lack of control of oil products on the international market, and the development of alternate energy sources. Between August 1984 and July 1985 CEPE's oil exports were approximately 48 million barrels: 72 percent in direct sales, 15 percent for compensation, and 13 percent in commissions.

Special attention has been given to our attitude toward OPEC. The national government feels that Ecuador should remain a member of OPEC and should continue to participate in OPEC's decisions and activities, provided these decisions and activities do not harm the sovereignty principle or jeopardize the lofty national interests. [applause] Ecuador is a small-scale producer. Eventual but essential increases in our production do not affect the world oil market structures, an opinion that fortunately is respected within OPEC.

The mining area in general is receiving a great thrust. The government is determined to again view prospecting and exploitation as a priority, incorporating this source of wealth as a mechanism for the improvement of the economy and as a job creating factor.

Electrification

Since electrification is a fundamental requirement for national development, during this first year the Ecuadoran Institute of Electrification [Inecel] has invested over 11 billion sucres. Work has been concentrated in three major areas: the continuation and conclusion of generation and transmission projects of the national interconnected system, the technical and administrative improvement of the national electric enterprises, and the intensification of rural electrification. Regarding the national interconnected system, we have continued working on the Agoyan project. Work has begun on phase C of the Paute project. Los Rios Province has been incorporated into the system, among other works. All of this has been done with an investment of approximately 6 billion sucres. The national transmission system will make it possible to better use the installed capacity of hydroelectric power and thereby replace thermal generation. Contracts have been signed for the supply of all equipment and materials for the construction of the transmission lines and substations of phase C of the national transmission system, which will allow us to complete the system during this administration.

Electrical enterprises received preferential attention in order to distribute the energy supplied by the national interconnected system to the provinces. Inecel contributed 800 million sucres and the enterprises 1.85 billion sucres for the construction of substation lines and priority networks. The studies of the Paute-Masar project, the feasibility studies of (Liseispi)-Guaillabamba, and the prefeasibility study for the utilization of the water of the Quijos River have continued. The feasibility studies for the Coca-Polo-(Sinclair) project are in the process of being awarded. These and other studies will make it possible to establish priorities with regard to electrification projects.

Public Works, Communications, Postal Services

The government pays fundamental attention to the construction of public works. The overall budget for the roads program totals 49,417,000,000 sucres. It is to be implemented in 3 years. Provincial development works are under construction in all provinces to meet the urgent needs of many areas that were inexplicably neglected by previous administrations.

As examples of some of the works to which special priority is attached. I will only mention the following: the Cumbe-Giron-Pasaje highway; the Cuenca-Cajas-Mollesturo-Naranjal highway [applause], the Guaranda-(Pilobam)-Balsapamba highway, which will be completed in 1986; the Pan-American Highway between the (Andas) and (?Chugui) rivers; the Carmelo-Santa Barbara-Sebundoy-La Bonita highway in Carchi Province; the repaving of the Latacunga-(Lamana) highway; the expansion of the Pan-American Highway between Latacunga and Ambato; the Pan-American Highway between Tixan and the (Andas) River, including the alternate road to be constructed between Tixan and Alausi to bypass the area of geological faults which have blocked traffic in Chimborazo Province; the roads from (Guachillas) to Loja, Asuay, and Guayas provinces; the construction of several stretches of the secondary [marginal] coastal highway between Muisne, Esmeraldas, and La Tola; the Ibarra-San Lorenzo highway; the completion of the (Quilimbe)-Esmeraldas highway; all highways in the primary network of Guayas Province; improvement in traffic in Guayaquil [applause, shouts] through the construction of the (Juan Santamarengo) and (Pedro Menendez Gilbert) freeways, accesses to the land terminal, the construction of eight traffic exchanges, and the expansion of Avenida de las Americas; the construction of the Ibarra-San Lorenzo highway up to Alto Tambo; the Otavalo-Selva Alegre highway; the Ibarra-(Urcuiruy) highway; the paving of the Pan-American Highway from Ona to Cariamanga;

reconstruction of the Loja-Catamayo-Vela Cruz-Rio Pindo highway; paving of the Loja-Malacatos-Vilcabamba highway; paving of the Vela Cruz-Catacocha-Macara stretch; the improvement of the roads to the Celica-Alamor-Arenillas junction; [applause, chanting] reconstruction of roads in Manabi Province, which was enduring serious traffic problems; the Novol-Jipijapa-Montecristi highway; the Portoviejo-Manta highway; the Pichincha-Portoviejo junction; the Portoviejo-Chone-Santo Domingo highway; [chanting] construction of the Jipijaps-Manglaralto, Manta-Rocafuerte, Portoviejo-Santa Ana, Calceta-Bahia, and Suma-Pedernal highways; construction of the Mendez-Marona highway linking the Ecuadoran highways with navigable rivers in the Amazon region, which has received special attention and is expected to be completed in 1988; [applause] completion of the secondary highway in the east between Macas and Puyo; construction of the Lago Agrio-Puerto Putumayo highway, which (?has been) financed by the Andean Development Corporation and forms part of the Inter-Oceanic Highway [Carretera Interoceanica] improvements to the (Vallos)-Puyo highway and completion of the Puyo-Macas highway; the road network program in Pichincha Province; accesses to Quito; construction of the Ambato beltway and a lateral passage to that city which includes three traffic exchanges; and studies for the Ambato-El Corazon, (Yandana)-Zumba, and (La Loja)-Zamora highways, arteries which are vital to Zamora-Chinchipe Province, are already contracted.

The government was particularly pleased that it was precisely on 12 February when automobiles were able to reach Zumba for the first time. The improvement of the road from Baltra to Puerto Ayora in Galapagos and many other works are already contracted, under construction, or in the study stage under signed contracts and will, in the next few years, link areas of the country and many towns which have been neglected thus far, integrating them into the country's mainstream not only economically, but also in every aspect of collective relations.

For the purpose of road maintenance, we have managed to overhaul most of the state-owned equipment, 80 percent of which was out of order on 10 August 1984 and with which we are carrying out 80 percent of the maintenance work on the national highway network. [applause, chanting] We found that the national railroads were partially paralyzed. Large stretches of railways, especially between Tixtan and Bucay, (Chibamba) and Cuenca, and Ibarra and San Lorenzo were not being used. The government is looking for the best alternative to restore Ecuador's railways. For this purpose, we have invited various governments that may be interested in making the studies and providing the financing.

We received the postal service with a deficit that exceeded 50 million sucres in August 1984 and that was estimated to reach 120 million sucres by year end. We have managed to reduce the actual deficit to less than 5 million sucres. In addition, we are revamping the post offices and expect to establish an international express service, an international money order system, and an air express service among the Andean countries. [applause]

The absence of investments in telecommunications is one of the clearest demonstrations of the scorn with which the previous government treated Ecuadoreans. Today, there is a different policy. The problem of the supply of telex machines during the next 10 years has been solved. We have even eliminated the monopoly on the system enabling users to obtain telex machines wherever they wish.

The installation of the central exchanges for the rural telephone service, which will connect all of the country's cantonal capitals through a system of direct dialing, has begun. The system will be ready in mid-1986. [applause, shouts] A contract has also been signed for a telephone system for the Amazon region and border zones. A contract was signed for the supply of materials and the installation of exchanges until March 1986 for 99,000 new telephone lines between Regions 1 and 2, basically the cities of Quito, Guayaquil, and other provincial capitals.

We are also improving the interprovincial connection system. Studies have been conducted to expand the ground station in the coastal zone. This will improve communications with other countries, and studies are currently under way to install 120,000 additional telephone lines. Special attention has been given to the city of Cuenca and Azuay Province. The government endorsed ETAPA, the southern zone's telephone company, so it could obtain a loan from the French Government that will enable it to install 12,000 telephone lines. [applause]

The Roof Plan

To have suitable housing is one of our people's basic aspirations and a national government priority. Even before taking office, we began working on the roof plan. The initial purpose was to build 30,000 units per year. The program calls for the construction of various types of homes ranging from a basic unit with a price equivalent to 42 minimum salaries, to a small house with three bedrooms the cost of which would be equivalent to 65 minimum salaries. Along with the construction of homes, a program for housing improvement has been set in motion which seeks to grant 107,000 loans and aid those who obtain loans so they can expand and improve their homes. A third program, one of urban renewal, seeks to improve the human infrastructure and the social environment.

Between August 1984 and May 1985, a total of 22,037 housing units and 15,966 new homes were under construction, 2,247 plots of land were developed for the construction of houses, and 3,801 direct loans were granted for the construction and improvement of housing. During this period, 6,673 homes were distributed and the preparation of legal documents for 10,694 units in Guayaquil's popular programs began, as the residents of these homes had not managed to legalize their property titles. The urban renewal programs currently underway will benefit 6,000 lower income families in Quito, Santo Domingo, Esmeraldas, Guayaquil, Quevedo, (El Empalme), Riobamba, Guaranda [applause, shouts], Ambato [applause, slogans], Cuenca, [slogans], Zapotillo, Portoviejo, and Manta. The city of Babahoyo will be the object of an integral program for urban development aimed at substantially changing the image of the capital of Los Rios Province. Through the Marginal Rural Development Fund [Foderuma] 3,000 rural housing units are currently under construction in 8 provinces with a total investment of 360 million sucres.

In addition to constituting a direct solution to the housing problem, the impact of the roof plan in the national economy is very important. Construction is multiplying production factor. Dozens of industrial activities related to construction develop as soon as the latter is activated. Since August 1984, it has been estimated that this field of activity has employed an additional 7,500 Ecuadoreans. This means solving the problem of approximately 40,000 Ecuadoreans.

Financing Development: Development Bank of Ecuador

The grave social problems in the various regions are reflected in non deficient infrastructure works such as local roads, highways, potable water, and so on. The execution of these projects deserves to be treated as a priority in order to achieve the well-being of Ecuadoreans, especially the neediest sectors. To a large extent, this wide range of needs is met through the Development Bank of Ecuador's [BEDE] financial and technical support. It is not only the government which works with this task, but also the provincial councils, municipalities, and autonomous organizations associated with this kind of project as well. Through BEDE's credit, the government has been transferring substantial state resources to those institutions. The amount of the loans approved between August 1984 and 30 June 1985 totaled 18.017 billion sucres, 6.793 billion more than the sum approved between August 1983 and June 1984, or a 60.5 percent increase. The provincial municipalities and councils received 4.000 billion sucres, three times as much as was granted to them during the previous period.

The state ministries and regional and national development organizations jointly received 13.917 billion sucres between August 1984 and June 1985, thus surpassing the credit granted during previous period by 5.088 billion sucres or 57.6 percent. [applause]

The economic sectors that demanded the most resources from BEDE included: infrastructure -- construction of roads, markets, irrigation systems, silos, and equipment -- which received 6.889 billion for a 241.9 percent increase; social improvement -- potable water, health, education, environmental improvement -- for which 6.233 billion sucres were allocated for a 24 percent increase; and rural agricultural and livestock development, which received 1.510 billion sucres for a 31.5 percent increase. All of the percentage increases to which I have referred correspond to the August 1984 to June 1985 period, compared to the August 1983 through June 1984 period.

In order to mitigate the financial difficulties endured in particularly strenuous fashion by the provincial municipalities and councils, BEDE has reduced the cost of credit, establishing priorities in the projects that are to be financed and taking into consideration the relative development achieved by the various Ecuadoran provinces and cantons. The amortization and grace period have been significantly extended. The public sector's institutions will benefit and will expand to cover a larger number of investment projects. BEDE's interest rate dropped from 15 to 12 percent for loans for potable water, sewer systems, public health, education, forestry development, rural electrification, and others. The marginal cantons, or those which remain in a socially depressed situation, will pay even less --- as little as 9 percent. This points to governmental actions that seeks to cooperate with the provincial councils and municipalities to solve national problems. For all of these reasons, it is essential to increase BEDE's capital. It was decided that 800 million sucres will be transferred from the bank's revenues for the 1984-85 period.

Public Health

The national government has tried to satisfy the public health needs of the least protected sectors. It has significantly decreased infant mortality. A total of 98,938 people have benefited from the complementary food program, and 1,225,520 took part in the maternity program. Studies have been prepared on providing potable water and drainage to rural areas in the entire country with an initial investment of 3.3 billion sucres. In addition, AID will donate \$3 million to the maternity and infant protection programs.

We are about to initiate the free child care program, which will benefit 1,250,000 children under age 5, as inpatients and outpatients with an annual investment of approximately 1.5 billion sucres. [applause]

We will soon get the generic medicine program under way, which will offer medicine at low prices in 1,500 pharmacies and health centers, 139 canton drugstores and hospitals, and urban health centers, 116 general and specialized drugstores and hospitals, and in the Health Ministry's 44 pharmacies for basic medicines.

The program, with an annual investment that surpasses 1.5 billion sucres, will benefit approximately 5,690,000 Ecuadorans above age 5, who will seek aid at mobile units, hospitals, and the Health Ministry's 1,332 health units. It will extend to other social institutions such as the Ecuadoran Social Security Institute, the Guayaquil Public Welfare Junta, Infant Protection Society, Armed Forces, [word indistinct], and other public welfare organizations. Attention to malaria cases has demanded an investment of 1.658 billion sucres which has covered salary increases, construction, and equipment. Between August 1984 and July 1985, the Health Ministry has fulfilled two very important phases of intensive vaccination of children, in addition to permanent immunization service.

For this, 5 million doses of children's vaccines were used, thus preventing tuberculosis, whooping cough, diphtheria, tetanus, measles, and poliomyelitis among children age 5 and under.

In the first year of government we have fulfilled many tasks in favor of the primary focus program, and community development. The number of health promoters chosen from the benefiting communities has notably increased, and the number of provinces that have the program has risen to 15. This is a joint effort between health authorities and the people. We have obtained for malaria control programs, a \$6.4 million soft loan from the AID, and a donation of 2,500,000 vaccine doses. In September 1984, plans were made to construct, expand, and equip 187 health centers in the 20 provinces of the country, with an investment of 2.435 billion sucres for 1984. Currently, 36 hospital projects are under way in 17 provinces at a cost of approximately 10.365 billion sucres, of which 6.600 billion are already financed.

Social infrastructure projects were reinitiated such as those for potable water in Loro Province and hospitals, such as the children's hospital in Guayaquil, and those in Ibarra, Otavalo, Pasaje, Machala, Tena, Manta, Jipijapa, Bahia, Guaranda, Riobamba. Furthermore the financing has been approved for the Eugenia Espejo and (?Bata) Ortiz hospitals in Quito.

Labor Policy

Peace and social equilibrium have been the positive response from the different national sectors to the government's efforts. The policy of respecting the working class and demanding that the business sector fulfill its obligations, has allowed cordial labor-management relations. Even the government's greatest enemies must admit that the efforts made through the Labor Ministry have contributed greatly to social peace. Proof of this is that the number of labor conflicts has decreased considerably. More than 90 percent of the labor conflicts have been resolved through transactions. The duration of the conflicts themselves and the strikes is substantially shorter than in past years. Conflicts and strikes that were pending for 3 or more years have been overcome. There has been practically no closing of businesses, and 218 collective contracts have been signed, which protect approximately 45,000 workers. Our salary policies compensate for the deterioration caused to real salaries by inflation. They prevented demagogic pressures from turning what should be fair salaries into an element of destabilization for the national economy. Ninety-nine sectarian commissions have been established to administer minimum wages. In 1984 they approved increases for more than 600,000 workers subject to the labor code. So far into 1985, greater efforts are being made to increase the number of workers benefiting. Bills have been prepared for vacation bonuses, for family subsidies, and for subsidies for seniority and shared labor, which despite the government's desires, have not been supported by the legislature. This is even more unfortunate when the political sectors of the opposition claim to be defending the workers' interests, while at the same time they are inflexible on real and effective benefits such as those stated by the government.

Our employment policies are now being seriously and carefully studied at the National Employment Institute, which administers the Ecuadoran labor force information and investigation system. Through the Guayaquil Foundation created for that purpose, a methodology of support for microbusiness development in the poor sectors of Guayaquil has been established. Our permanent links with the ILO, and the government's careful compliance with the agreements signed with the institution allow us to certify a healthy political criteria for the solution of labor and social security problems with the participation of the state, labor, and management.

Social Welfare: Ecuadoran Social Security Institute

The previous government did not pay its debt with the Ecuadoran Social Security Institute and in 1981 it went to the extreme of eliminating the allotment for that

institution from the national budget. In response to this action of great irresponsibility, the government that I preside over proceeded to consolidate the unpaid debts through 31 December 1983 which totalled 22.704 billion sucres. We have already paid the first quota of 1.7 billion sucres. In addition to this, we are about to sign another agreement for 6.800 billion sucres to cover the debts accumulated until 31 December 1984. We have promised to pay these debts within 15 years with a 15 percent annual interest rate through 6-month payments automatically retained at the Ecuadoran Central Bank.

We must stress that for the first time in many years the national government has fulfilled its social security duties thus far in 1985. [applause] To make procedures easier, we have initiated a process to modernize the IESS information systems, for which an agreement was made with the UN Program for Development and the ILO. We have promoted the administrative decentralization of the IESS for which the country has been divided into eight regional directorates with the economic and administrative capabilities to act autonomously and to (?debureacratize) their services. We have promoted the completion of IESS hospitals and dispensaries, the construction of which was interrupted in the previous administration as in the case of hospitals in Manta, Portoviejo, Loja, Cuenca, and (Guajilla). We hope they will be operational by the end of this year or by mid-1986. The hospital in (Chone) is already open. The 1980-84 economic development plan established a goal of building hospitals with a capacity for 2,500 beds, in addition to the 1,570 available at the time the plan was implemented. However, there were only 97 additional beds by the end of that period. The Technical Advisory Council was created to permit the coherent preparation of plans and programs, as well as future projections for institutional policy.

The national government is working on strengthening the Ecuadoran cooperative movement in order to guarantee the fulfillment of its basic objectives. The Ecuadoran cooperative movement is very formal; in other words, the cooperatives generally operate in accordance with pertinent regulations with the exclusive aim to receive benefits, but do not comply with the main requirements.

The absence of a coherent policy to deal with the country's Indian problems, as well as the need to give preferential treatment to this sector determined the creation of the National Directorate of Indian Population. The new institution's role is to coordinate educational, credit, social, and other peasant activities that were previously conducted by various government institutions in an isolated or contradictory way.

The national government has provided and coordinated assistance on emergency situations, as in the case of the fire at Isabela Island and the aviation accident at the airport in Quito on 18 September 1984.

Regarding the protection of minors, an integral evaluation of the institutions involved in the protection and rehabilitation of minors was conducted. The government has provided for minors whose parents must work through the promotion of programs and the establishment of nurseries or child care centers. The National Council of Minors, an institution established by the law but which was relegated, was reactivated. Through this council, the general plan for the protection of minors is being drafted which will permit coherent actions.

In order to improve the living conditions of the population in suburban areas, the establishment of chain stores has been promoted with the aim of reducing the price of staples for consumers.

For the first time, and complying with legal regulations for the protection of disabled people, national policies were issued as part of the plans and programs for the disabled. A community therapy program has been initiated in Penipe, Chimborazo Province, which is an area with a high incidence of endemic (?goiter) and disablement problems.

Special efforts have been made to promote women's social participation and to overcome the legal discriminations they still face. We have established programs to promote women's participation in community life, as well as in cultural, educational, and welfare organizations. [applause]

The Work of the National Institute for the Child and the Family, and the Government

The National Institute for the Child and the Family [INNFA] has been one of the pillars of the government's social work. Its contributions have gone beyond the traditional schemes and it has become an agile, effective instrument for solving painful problems affecting Ecuadoran society. This has been accomplished through the Program for the Reduction of Children's Morbid Mortality Rate, Premmi, which is directly linked to INNFA under the leadership of its president, my wife [applause], and which permanently struggles to protect society's most valuable asset: the youth. Its actions are coordinated by the Government, Defense, Health, Social Welfare, and Education Ministries; the National Congress; the Ecuadoran Catholic Church through the Episcopal Conference; and the Association of University Medical Schools. There is also a direct relationship with international organizations such as UNICEF, AID, the Pan American Health Organization, and OLS [expansion unknown]. The work of INNFA also includes the children who must face the reality of earning a living.

This program, prepared by the Central Bank of Ecuador through the working boy agreement will be implemented soon. [applause, shouts] In coordination with the Government Ministry, we have structured a program with new methods to favor prisoners' children. An agreement for 115 million sucres has been signed with BEDE for the development of INNFA. INNFA, through an agreement with the Attorney General's Office, is actively involved in a great crusade to control drug abuse. In addition, with the cooperation of the Ministry of Education and Culture it is expanding the coverage of the school for parents program. I have great faith in the INNFA program. The national government will give it its full support in order for it to expand to all sectors and communities that form the Ecuadoran nation. [applause]

Public Education

Education is the basic process to make the Ecuadoran man the center and axis of the continuous progress of Ecuadoran society. On one hand the government has tried to improve the educational systems and infrastructures, and on the other to strongly emphasize technical education. Realistic, not propagandistic, literacy programs have been implemented and special attention has been given to sports. All of this has been accomplished in frank collaboration between the government and the local and provincial authorities.

An indispensable tool was created: the general guidelines for the Law on Education and Culture. This will permit the modernization of the educational system with respect to the idiosyncracies and permanent values of our national culture. We expect to improve education, promote research, and give priority to critical reasoning and creativity.

The purpose of technical education is to develop new options in line with true occupational demands and the availability of human resources. This will be the birth of so-called intermediate schools that will alleviate overcrowding at universities and allow young people to join the world of employment, production, and consumption.

In its latest report, the previous government announced that there was an illiterate population totaling 8.6 percent. This was in December 1984. Reliable investigations have determined that the illiterate population over 15 years of age totals 731,000. This represents 14.4 percent of the population at the national level. The statistical report of the previous government had not considered more than 300,000 illiterate Ecuadorians who are over 54. This served to maliciously diminish the extent of the problem. The immediate goal of the current government is educate 60,000 citizens over 15 in 1985 and to arrive at 1988 with a 5 percent index, which is tolerable at the international level. We have allotted 160 million sucres to the literacy task this year. The special practical literacy program associated with work already has 5,200 centers. The initial student registration is 108,119, which is 50 percent higher than the goal set by CONADE [not further expanded]. There are more than 1,300 occupational training centers. These centers are being attended by 35,800 persons. There are 526 artisan training centers that have 44,841 students.

The construction of schools has been very dynamic. In the framework of the emergency school reconstruction program financed by the [word indistinct] with 72.5 million sucres, we have signed contracts for 534 constructions. Agreements have been reached with local and regional entities and we have invested, especially on rural infrastructures, approximately 1 billion sucres. Directly, we have built schools valued at 94 million sucres.

We have delivered 1,022 metal frameworks to the provinces valued at 128 million sucres. In addition, we have given more than 10,000 desks to academies and just as many to the schools. We have installed 285 scientific laboratories and 273 welding and forgery shops. We have also acquired electronics and electricity laboratories financed by Canada and valued at 550 million sucres. There are also basic school programs that include practical options. The cost of this is approximately 500 million sucres and is being financed by the Austrian Government.

We have created 483 schools and have increased the number of professors by 3,136. The budget allotment was 715 million sucres. In the past few days we have created 750 new posts. School registration has increased by 13,000 for preschool students, 65,000 for primary school students, and 27,000 for secondary school students. [applause]

During the first year of my administration we have given training to 12,000 teachers, more than in the past 6 years. To tackle the rural school problem as part of the (AMER) [not further identified] project, we are investing through an IDB loan and national funds 3.4 billion sucres to produce, develop, and distribute 1,500 school books, 3 million copybooks, and 60,000 guidebooks for teachers. In addition to this we are training 4,800 teachers, will incorporate 50,000 children from rural areas into the educational system, and will build 1,200 classrooms in 550 schools.

In developing technical education through the (PROMEB) [not further identified] project, we have invested 2.3 billion sucres in building and equipping 500 schools and technical, agricultural and livestock, and industrial academies, as part of a first phase.

During the second phase, we will build 36 more schools with an investment of 6 billion sucres.

The school program will benefit 647,300 students. We have begun this program with 40,000 kids from Guayas; 20,000 kids from Azuay; 20,000 kids from Pichincha; 10,000 kids from Cotopaxi; and 10,000 from Canar. [applause]

The school for parents program is being implemented in coordination with the INNFA.

It has served 13,000 parents in 9 provinces. The education for health program trains the community, especially those in rural areas, to prevent disease. With the aid of the Technical Interministerial Office for Health Education, 10,000 students have worked to benefit isolated areas.

Consolidation of the [word indistinct] debt has made retirement possible for more than 1,000 professors. In addition, the salary ceilings were lifted in the teachers' promotion roster and a draft bill calling for an increase in family subsidies to professors, regardless of their salaries and allowing up to five dependents, was presented.

Promoting sports is essential for the moral health and physical growth of our youth and the welfare of the population at large. Through agreements with local entities and governments, 240 million sucres were presented to the sports sector. Agreements totaling 402 million sucres were signed to carry out sports projects in all provinces. The National Games received a contribution of 517 million sucres and the Bolivarian Games received 250 million sucres. [applause]

Our contribution to neighborhood leagues totaled 52 million sucres. The construction of the General Ruminahui Quito Coliseum and a velodrome will be financed. A similar amount will (?be used) to build the sports infrastructure of Guayas Province. Sports organizations received 140 million sucres.

Only profound educational reform will ensure a sustained development of the country. We must change the mentality itself: We cannot consider schools, universities, and the teaching body to be power centers.

We must foster a spirit that considers education to be the highest sacrificial and priority mission of citizens and the state alike. Parents must ensure this duty and unrenounceable right for their sons; they must ensure an education in keeping with our times as the 21st century draws closer.

Teachers must take on this task not only as a profession but as a profound task involving commitment and sacrifice. Universities must find their own solutions within the legal framework of their autonomy and the difficult fiscal situation facing the country. Ecuadoran universities are called to play an important role in the country's development and to become a scientific and moral tribune. [applause]

International Relations

The ideas inspiring our government are clearly reflected in our international relations.

In this field, our actions fully coincide with our statements. This cohesiveness in government actions created -- and it could not have not been otherwise -- a smooth and respectful relation with the international community.

With satisfaction, we have found, via our various contacts, the greatest and most ~~clear~~ acceptance of Ecuador and its government. In addition, we have centralized international relations to prevent diversions, via uncoordinated actions of various organizations. International policy is established by the president of the Republic through constitutional decree. It is executed by the direct organ, the Ministry of Foreign Relations, with the aid of other ministries, specifically in areas of their competence.

In January 1985, the Ecuadoran people received a special honor: The pope made a pastoral visit to our country as part of a tour including four Latin American countries.

The Ecuadoran Government offered all facilities to allow our people to receive the full moral benefit of the illustrious visitor's presence. [applause]

The pope refreshed traditional Christian values in the spirit of Ecuadoreans. His message went beyond believers. It reached the entire population.

The pope's presence represented an invitation to peace, a call for justice, and a search for harmony, and it left a positive everlasting memory in a nation where good messages bear fruit easily. The Ecuadoran people acted with an admirable discipline and spirit of cooperation; as president of the Republic I must assert my most profound admiration for our people and our eternal gratitude to the illustrious visitor. [applause]

On 15 February 1985 I had the pleasure of talking with Colombian President Dr Belisario Betancur at the International Rumichaca Bridge. He is a friend of Ecuador and its president; the meeting with the Colombian president served to reopen commerce between the two countries and increase cooperation and trade, as well as a joint effort against drug trafficking.

I led the Ecuadoran mission that attended the presidential inauguration in Brazil; thus, I left testimony of the importance that Ecuador grants to the reestablishment of democracy following 21 years of absence in that great Latin American country. I also wanted to make my trip a tribute to the personality of Dr Tancredo Neves, an outstanding leader who permanently struggled for his people's cause. [applause] My interview with Dr Jose Sarney, who is now Brazilian president and was vice president-elect at that time, was useful in discussing a much more open cooperation policy than the one carried out so far.

U.S. Secretary of State George Shultz visited Ecuador on 28 February 1985. I met with him and reviewed the fundamental aspects of the relations between the two countries, and some of the continental problems. Last April, during a private visit to the United States, I talked with the international financial community and intergovernment credit organizations such as the World Bank, the IDB, and the IMF. Representatives of organizations interested in investing in Ecuador, the international news media, and some academic communities are some of those with whom I met. On that occasion I was able to meet with the U.S. Vice President at length concerning topics of interest in our relations with the United States.

The visit to the United States fully attained the goal of disseminating to the international community the Ecuadoran Government's economic policy. We stated that Ecuador is a country that takes economic cooperation, free enterprise, and social justice quite seriously. In addition, we fulfilled the substantial purpose of opening a road for renegotiation of our foreign debt over several years with the creditor governments -- in other words, the so-called Paris Club. The definitions and contacts achieved during my visit were useful and 2 weeks later the agreements between Ecuador and its creditor countries were signed, thus making it possible for Ecuador to become the first country in the world to get a payment agreement over several years with the Paris Club. [applause]

Following the visit to the United States, I traveled to Cuba, in reply to a courteous invitation by the president of that country, Commander Fidel Castro. During 48 hours we received an extraordinarily cordial welcome, not only from the Cuban Government but from the people. The reception offered to us in Cienfuegos was particularly emotive; the population participated en masse to give us an enthusiastic and warm welcome that went beyond a merely official attitude. Commander Fidel Castro and I exchanged opinions in a frank and clear manner concerning the problems of the continent. His views are as clear as mine.

Mutual respect is the basis of cordial relations between the two countries. [applause]

Mexican President Miguel de la Madrid was kind enough to come to the airport, where I made a refueling stopover on my way to Cuba. The conversation between us was very important, and we found pleasant and predictable coincidences of opinion concerning the continental situation.

Uruguayan President Dr Julio Maria Sanguinetti left extremely pleasant memories of his visit on 29, 30, and 31 July. His presence activated the cultural, political, and economic relations with that nation, which is particularly fraternal toward our nation.

His excellency the president of Guatemala also came for a private visit last March.

The peaceful solution to the territorial controversy with Peru is particularly important for our country. Both during the 39th UN General Assembly and the 14th OAS General Assembly, Ecuador reiterated its permanent willingness to find a just, equitable, and honorable solution to end this old dispute.

Ever since the electoral campaign, and not just from the very moment I assumed the presidency, I asserted and reasserted the Ecuadoran thesis concerning the foreign debt. The debt, particularly the Latin American debt, exceeds all the possible financial, political, and social solutions, when using only financial reasoning. It is mandatory to analyze the problem from the political viewpoint; however, a political viewpoint does not necessarily mean the use of loquacious political speeches to discuss such an important topic. It means that we must negotiate with the creditor countries' governments and the international credit organizations, on the basis of a historical understanding of the problem. As far as Latin America is concerned, the debt represents the difference between survival and extinction, coherence or general chaos. If the renegotiation is carried out with consideration that our people's right to live is more important than paying the debt, just terms of a negotiation will be found. [applause]

Nevertheless, this is not an impediment for Ecuador's renegotiation of its foreign debt with promptness, professionalism, and determination, and does not contradict the fact that the renegotiation was carried out exclusively between Ecuador and its creditors. To a large extent, the fact that Ecuador has solved its foreign debt problem does not mean that we have forgotten the general, transcendental meaning of the problem.

No country on this continent can be indifferent to the Central American drama not only because continental solidarity makes us feel a part of the good and the bad situations experienced by each one of our peoples, but because the conflicts are truly inflammable and could affect the entire region. In September 1984, I addressed the Contadora Group presidents to let them know the new Ecuadoran Government's viewpoints regarding Central America. I told them, and I hereby reaffirm, that the full effectiveness of democratic mechanisms, without any discriminations or exclusions, is the pivotal stone for peace in Central America. [applause]

Our repudiation of terrorism and drug trafficking as crimes against mankind is one of the fundamental pillars of our foreign policy. Nothing justifies the unleashing of collective terror in our societies. There is no valid excuse for those who foment fear behind the shield of clandestinity and anonymity. No (?party), banner, or purpose can ever justify the brutality and ferocity of terrorism. Drug trafficking is a parallel and twin activity of terrorism. They go together on many occasions and definitely share the same goals.

In both cases, social destruction is the final act of the drama. It seems that the forces that unleash one, unleash the other. Whether it is through killing, stealing, and terrifying, or destroying the conscience, health, and moral values, both cases are indiscriminate, massive attacks against all men and all societies. Terrorism and drug trafficking are crimes against mankind. [applause]

The Armed Forces

The fundamental role of the Armed Forces, which are safeguarding our sovereignty and territorial integrity and guaranteeing internal security in the country, has been fully complied with. The Armed Forces, additional contributions to our national development through various fields and actions reflect a modern concept of national security. We must especially mention the studies conducted on settlements, colonization, and active borders in the Amazon region that require close coordination between the Defense and Foreign Relations Ministries. The Army's Engineer Corps has helped with the construction of roads in the country thereby reducing costs and solving strategic problems. The Navy has collaborated in diverse hydraulic works, in the handling of important maritime transportation enterprises, and in maritime research. This increasingly strengthens our national sovereignty. The Air Force cooperates with local transportation. Its slogan "Wings for Health, Culture, and Joy" represents a social contribution of primary importance. The assistance given to the National Police by the Armed Forces to curb the crime wave in Guayaquil has been very valuable.

In due time, the defense minister informed the nation about the arbitrary use of more than \$200 million from the National Defense Board funds, whose use is considered sacred and which no one had ever dare to use for other purposes. Due to the apprehensive economic policy of the previous government, it resorted to these funds in haste as a result of a lack of foreign exchange and to use them for another purpose. [applause] It was not merely a case of violating an administrative norm, as some of the hardened authors of obscure actions frequently state as an excuse and to free their consciences. The fact is the money was stolen, and the person in charge of these funds who should have ensured their inviolability permitted and ordered their making use of a right exclusively granted to the National Defense Board. The funds were arbitrarily used. In other words, the national defense funds were usurped. Despite a protest, the political opposition covered it up, thus becoming an accomplice of the crime. The results of this illegitimate action do not require any assessment. It only requires an average amount of common sense and a minimum of patriotism to fully understand the consequences of that action. [applause]

Public Order and Sectional Government

Through the Government Ministry, the executive, aware of the fundamental importance of sectional governments in maintaining national unity, has tried to satisfy their most urgent needs in areas such as the building of community centers, the drafting of plans to build government houses, the maintenance and repair of existing structures, the granting of budget allotments to provincial and municipal councils for the construction of community projects, the outfitting of provincial government offices, and varied assistance to social projects. The National Police, responsible for maintaining order, have been improved professionally and with equipment. The government has sought and continues to seek the best ways to finance improvements in the National Police's technical capacity. In this context, new regulations and statutes have been issued replacing those that were outdated, while an in-depth study of police legislation is under way. A contract to build two large hospitals, one in Quito and another in Guayaquil, to serve the police force has been signed thanks to a loan granted by the Development Bank of Ecuador for 1.072 billion sucres, finally fulfilling a very just, long-standing aspiration of the National Police.

The crime wave that has swept through the nation has promoted an increase in the police force by 1,000 carefully selected units, 460 of which have been assigned to Guayaquil, 400 to Quito, and 140 which have been posted in other areas of the Republic.

In December 1984 police salaries were increased significantly. As of May 1985, policemen have enjoyed the benefits derived from the increase in minimum wages from 6,600 to 8,500 sucres per month.

As Ecuador shifted from the role of transit area for drug trafficking to that of producer, although not to the extent of other countries, it has been necessary to create special drug control brigades with the assistance, although insufficient, from abroad that we desperately and increasingly require.

It is public knowledge that we have destroyed vast plantations of coca and marijuana and we are using high technology methods to detect the drug. A coordinated action of the security forces, particularly of the Interpol central office, with the full support of the government, is allowing us to face the struggle against the internationally organized mafia handling this criminal activity. We have made important seizures of drugs, in such significant amounts as the one detected in Quimbe that amounted to 600 kilos of pure cocaine and the one in Guayaquil where 250 kilos of the same drug were seized. Many drug processing laboratories have been destroyed, and important narcotics traffickers have been arrested. The government has set up operations to control the relation and coexistence of terrorism with narcotics trafficking under different political disguises.

Under the hierarchy and authority of the National Council and the Provincial Transit Councils, and following its orders, the police have better control of transit throughout the Republic. The government is particularly concerned with renovating the public vehicle fleets in Quito and Guayaquil, because, if the present state of affairs continues with the obsolete units that are 20 or more years old on one hand, and on the other hand the variety of vehicles, this could briefly lead to paralyzation of public passenger transportation. To deal with we have created two organizations -- one in Guayaquil and another one in Quito -- which are entrusted with solving this problem.

We have concluded the social rehabilitation policy, as part of the plans and programs of development of the country with an integration concept. This concept is to achieve a coordinated action as demanded by modern methods and systems in order to face this [word indistinct] problem, which is partly due to the faults of society. The National Council of Social Rehabilitation, presided over by the government minister, is viewing these problems in an overall manner. The rehabilitation of criminals should be the result of joint efforts, starting from the prevention of crime up to the treatment, social rehabilitation, and reincorporation to society of the rehabilitated criminal.

In order to do this, we need, of course a vast structure that the country practically does not have. The state and society must cooperate in this urgent and necessary task that needs many resources. The government has committed itself to change the penitentiary system and begin true social rehabilitation in Ecuador.

As for civil registry, we are pleased to report it is being improved through training for its personnel and the automation of the officer's throughout the Republic. On 1 February 1985, Executive Decree No 474 was issued and published in the OFFICIAL GAZETTE Number 117 ordering the registration of all minors under 12 who were not included to that date in the birth registry. Special brigades are working in cities and towns to make sure this decree is enforced. A terminal was installed in Riobamba for the computer system for registering births.

Studies are being conducted to extend this system to other cities. Public bids have been called for the construction of the new building of the Civil Registrar in Guayaquil. [applause and chants of "Guayaquil"]

Defense and the Promotion of Freedom of the Press

Democracy is the highest and most noble political system that mankind has created throughout its history. The root of democracy is the participation of all the citizens in the decisions of public interest and in the administration of common property. However, this participation is not possible or it is only partial if the citizens are not aware of the events that are taking place or they cannot compare the situations that arise. In other words, if there is no collective communications with all that this entails, such as truth, objectivity, antisectarianism, sufficiency, and opportunities, then democracy becomes unrealistic. Based on these firm convictions, the government first defined an authentic social communications policy in Ecuador. Its first postulate is not only the strict defense but also the positive promotion of the freedom of expression, information, and press, eliminating the obscure corruption and undue influences that may have affected it in the past, and opening a new field of action.

This concept has created a furor among a small but noisy group of stubborn opponents who are blinded by negative passions and do not understand to this day that the violence itself of their writings and speeches is evidence that the government fully respects freedom of speech and information. [applause]

Political Action and Gratitude

Along with the vast task of national reconstruction that also entails a challenge to fulfill our offer of giving bread, housing, and employment, we have also had to face an opposition obsessed in breaking the balance of the system, and in addition, an obstinate desire to harm the executive that jeopardizes the highest national values. We have told that opposition we will not allow them to do so, when they have tried to violate the Constitution. We will continue in that line, because we are fulfilling the constitutional mandate that orders us to respect and see that everyone else respects the Constitution and the laws of the Republic. [applause]

This permanent violation of the Constitution by an opposition that is manipulating certain institutions forces us to firmly maintain the legal principles we have been upholding even at the cost of appearing authoritarian in the eyes of some sectors. The idea is to exercise authority with the vigor that the law permits and demands due to historic responsibilities. In our case, the exercise of full authority will not become feeble because we think this is necessary for the recovery and strengthening of democracy.

The opposition that insists on partiality and on involving institutions in politics that should actually control and supervise the survival of the legal framework in which the Republic functions because this is the will of the people has forced us, on more than one occasion, to reject positions that are, definitely unconstitutional. [applause]

In addition to this harmful work, there have been attitudes and statements from labor groups that have been clearly identified, groups that have not found support from the people because they have maintained a lack of understanding in the face of policies -- sometimes severe policies -- the government has had to implement to produce a recovery in the country.

We have respected everyone's rights, and we have guaranteed all liberties. There are no political prisoners in the country. We respect the right of institutions to function based on their statutes. We don't manipulate legal institutions or citizens. We have not used force to benefit the government.

Although I am aware that much remains to be said, I must conclude. This has been an intense year. We have lived it fully because we had and we still have a challenge to face and a commitment to fulfill. The work of the government has been directed, and it will be increasingly so, at the nation's most needy sectors. We have not caused confrontations between regions or social or economic classes. We have wanted to reduce the distance between those who have a lot and those who have very little. The errors that we have committed have been the product of our desire to build, reconstruct, and change routes to step out of the very grave crisis to which we were led.

We feel unlimited gratitude for the popular sectors in the country. [applause; chanting of slogans] We have traveled throughout Ecuador. In the country and in cities we have found the embrace of a people with hopes who trust us. We are aware of and concerned about their problems. They see how work is going in their communities, can testify to our desire for morality, and have encouraged us to bear with the hatred of sectors that [words indistinct].

This report had been completed when an important businessman was kidnapped. The claws of terrorism, the sharp claws of terrorism sought a timely occasion to frighten Ecuadoreans. We know who inspires terrorism, and we know who inspires the terrorists. We know their objective. We detect many of their plans. Terrorism has four basic resources: the publicity that certain new organs provide without thinking; a justice system that is either blind or an accomplice; the weakness of yielding to terrorist demands; and, most importantly, the irresponsible tolerance of political authorities. I appeal to the news media to contribute to the awakening of a forceful rejection of terror. I earnestly call on the relatives of kidnap victims to put cold reason ahead of emotions and to never yield to evil demands. [applause] We urge the justice branch to act quickly, immediately, and without leniency.

Because the national government is my responsibility, I clearly proclaim that we will not hesitate to apply the law, protecting human lives and social property, and persecuting terror as a system and terrorists as a social disease until they disappear. Ecuador, our Ecuador, the Ecuador of our children will safeguard the invaluable asset of peace. Honorable legislators, I assure you of this with the certainty that emerges from our faith in God, from trust in the virtues of our people, and from the government's unconditional dedication to serve our fellow citizens. [applause]

COAST GUARD SEIZES 4 PERUVIAN FISHING BOATS

PA150232 Quito Voz de los Andes in Spanish 1130 GMT 13 Aug 85

[Text] An Ecuadoran Coast Guard vessel has seized 4 Peruvian fishing boats with 16 crewmembers close to (Isla del Muerto) in the Gulf of Guayaquil. The Coast Guard seized casting nets, outboard motors, tools and other implements for deep-sea fishing from the vessels (Maria Elena), (Salve Maria), (Johnny) and (Delfin) of Peruvian registration, but they confiscated only small quantities of fish and seafood. The seamen, whose ages ranged from 16 to 40, were captured in this action only a few hours after the release of another vessel that was caught fishing in the same area. The case has been referred to the General Directorate of Fisheries for legal procedures and sanctions. Peruvian fishing boats have been seized in Ecuadoran territorial waters on several occasions.

CEREMONIES MARK 31 YEARS OF STROESSNER RULE

Stroessner Addresses Aides

PY152128 Asuncion Cerro Cora Sistema Nacional Television in Spanish 1600 GMT 15 Aug 85

["Text" of President Alfredo Stroessner's remarks to aides who greeted him on 31st anniversary of his coming to power, at Government Palace on 15 August -- recorded]

[Text] Today when we celebrate the 448th anniversary of the founding of the city of Asuncion and the 31st anniversary of my coming to power, I can tell you that I assumed power with some doubts, due to our experiences as a nation with the succession of governments. However, I set out trying to be useful in all possible ways. At that time, I used to say that my presence was not required where nothing was being built, done, or dedicated. We started by building the water supply system, providing educational facilities, and above all, consolidating peace. We have had many difficulties and this is not the occasion to mention them. This would require a long speech so that those difficulties could be better understood. We have peace in our country thanks to all of use working together. I always say that like it or not, we have peace in Paraguay, and we have progress in the country. This can be shown by the statistics.

So today, as the military parade ends, I want to congratulate the commander of the parade forces, General Olmedo, and all the chiefs and officers who participated in this parade. We can thus see that the Armed Forces are in a position to ensure our security because they are discharging their duties. Let us hope that each of us knows how to fulfill his duties, whether we are civilians or military, because we are all members of the Colorado Party here. I deeply thank you for this spontaneous visit.

People do not overwhelm me. The more people who come, the better. Someone once said that it is not advisable for me to receive so many people. I replied that the day the people stop coming, we will indeed have a problem because we are well aware that when the situation is bad -- and I have experience in this -- very few people show up.

From past experience I know that when violent clashes occur, one's supporters markedly decrease. Only then do we see...[changes thought] I have asked you in the past, and I ask you again for your support, knowing that in an emergency some will fail me. Let this number be small.

Everything is going well and is on track. The wind is favoring us. We have a tail wind. The truth is that in case of an emergency, I hope that there are as few deserters as possible. Because we are living well and we must look out...(interrupted by applause) We must always look ahead. Therefore, everything is faring well.

Let no one be frightened by any difficulty. Fortunately, we have no terrorism here. We have eliminated subversion. There are still risks, though. There are some people who talk about democracy, but they do not practice democracy because democracy is measured by the number of votes in the ballot boxes. He who wins makes up the majority, and the minority must help the government perform well. We hope our country becomes more and more democratic. We hope everyone will join in this effort.

We know very well how the opposition acts. If discussions centered on the monument to General San Martin, they would want a law to erect a monument to Eusebio Ayala. However, this is something else, something I will not talk about because it is not appropriate. We are well aware of those people who want to vouch for some alleged merits they do not possess. In fact, we have plenty of merits and we must be convinced of this. Let everyone work and work well, with patriotism, as faithful Colorado members, and let them not get tired. This is what I am asking from you. Well, very well. Thank you very much. [applause]

Party Members Call for Reforms

PY152324 Asuncion ULTIMA HORA in Spanish 15 Aug 85 p 10

[Text] My fellow party members, "despite the fact that many people will not like it, we must change the administrative sector of the Government Junta of the Colorado Party." This was said by Maria Abdo Benitez, political secretary of the Government Junta of the Colorado Party and private secretary of the chief of state, during the speech he gave during the ceremony held at the 23d Colorado Party Precinct "honoring the 31 years of the Colorado government of President Stroessner."

Regarding the reforms being called for within the Colorado Party, Abdo Benitez said: "Today we have computers with which to register the members of our party. Each member must be registered in his respective precinct. We must not allow Colorados of other precincts to vote in jurisdictions in which they are not registered. This allows minority candidates to occupy the presidency of precincts and this has happened in several cases."

Abdo Benitez stressed that "we are going to defend the unity of the Colorado Party. We are not going to follow any other path; we will follow only the path of the Colorado Party with President Stroessner," thus rejecting the possibility there will be another ceremony to unite the Colorados. There will not be another because unity was sealed on 27 October 1955.

Adan Godoy Jimenez, a vice president of the Government Junta, again proposed some ideas for reforming the party's top leadership. He insisted that the majority must be represented within the Government Junta and that the young people, Colorado women, and auxiliary organizations must have greater participation. He also indicated that leaders in the interior must have more say in party matters.

He also said that "the post-Stroessner era is a great lie because all of you know that General Alfredo Stroessner, his works and his name, have taken root and flowered in the hearts of men, in the Paraguayan soil to which he has given fame: the men and soil of Paraguay." He also said that "there will be no government of transition here because those who are waiting in ambush within Paraguayan public life will never obtain a role in the Paraguayan Government. President Stroessner yields to no one and he will remain at the head of the government as long as the Paraguayan people want him to remain. His name will never die."

Manuel M. Esquivel, member of the Government Junta, was emphatic when he stressed that "an authentic majority of the party must not be tricked."

He also said that "the Government Junta must be made up of party members who can interpret the concerns of the people and not of individuals who have had 20 or 30 years of political vacations and who today from the Government Junta have the intention of giving lessons about the principles of the Colorado Party."

NANDUTI HEAD VIEWS LACK OF SUPPORT OVER CLOSURE

PY151414 Paris AFP in Spanish 0202 GMT 13 Aug 85

[Text] Asuncion, 12 Aug (AFP) -- Humberto Rubin, director of the suspended Radio Nanduti, today expressed sorrow over his isolation and abandonment by local and international news media, which did not react to what he considers an attack by the Paraguayan Government.

I feel abandoned and I am certain that when we go back on the air, not many days will pass before the radio is permanently closed, the well-known radio reporter sadly told AFP. He said he was disappointed over the silence of the press media, which so far has not offered him any space in which to explain his position on the measure adopted.

The National Telecommunications Administration [Antelco] on 9 August forwarded to Rubin a resolution issued by the Antelco Council accusing the radio station and its reporters of advocating subversion and confusion, in addition to casting doubts on the honor of individuals and the credibility of institutions.

A Nanduti lawyer today presented a request for reconsideration of the resolution closing the station for 10 days, demanding evidence that it has in fact advocated subversion and confusion among the people. He also asked for the renewal of Rubin's radio announcer's license, which was revoked 2 years ago.

He added that permanent closure of the station is imminent because there is no clear basis for temporary closure.

He said the logical thing to do in view of the serious accusation by Antelco would have been to file suit against the station in the courts, so that we could defend ourselves. But with this unconstitutional closure, we have no right at all.

Regarding the silence of his colleagues from both the radio and the press, Rubin stated: It is dreadful. I never expected silence regarding a problem that should interest everyone, because it is not only Radio Nanduti that is being closed but a communications medium, and any of the other stations could face this situation.

He added that due to the little or no reporting on the closure of the station, almost no one knows what they have done to us, and people call us thinking that we are only having technical problems.

In Argentina, the people are not yet aware of the closure, although I have already received many expressions of solidarity from Europe, he added.

Rubin added that at the local level only the Catholic Radio Charitas has responded to the situation and granted some airtime for his programs; and that the Journalists Union, the Inter-Union Movement workers, and some unrecognized opposition parties have issued communiques expressing solidarity.

Expressing grief at the discrimination and abandonment, he said all this is very sad because one holds the ideal of freedom as a standard. It is difficult to believe, he stated.

Moreover, the employees, announcers, and reporters of the suspended Radio Nanduti are beginning to show concern over what they consider an imminent closing. Some of them have revealed to AFP the difficult future awaiting them in case the radio station is closed, during this period of serious economic crisis with its consequent high unemployment rate.

The government decision was adopted after 2 years of continuous harassment, the station's management reported, recalling the 30-day suspension in July 1983, the detentions and summonses, and the prohibition against Rubin's speaking over the radio.

Although authorities responsible for the closure did not specify the exact reasons for the action, managers at the station and some independent media have speculated that the government was irritated by the broad coverage given to serious land conflicts, including violent evictions of peasants from their land, especially one case which last week affected an influential local businessman.

Another reason could be the airtime granted by Rubin to reporters of the also closed daily ABC COLOR or his failure to comply completely with the ban on granting interviews to leaders of the opposition National Accord.

BRIEFS

NEW SPECIAL POLICE FORCE -- Asuncion police now have a special force that is ready to act against criminals in any kind of environment. This group, which is called the Special Police Operations Force [Fuerza de Operaciones Policiales Especiales], is commanded by biochemist Colonel Roberto Stark Coscia, and it can conduct "raids" against drug traffickers if necessary. Asuncion Police Chief Osvaldo Palacios was interviewed about this force and explained that it is specially trained to locate and capture criminals in any kind of environment, rural or urban. It is also prepared to intervene in any meeting that threatens national security and institutions; that is, it is trained to reestablish order in a very short time. [Summary] [Asuncion EL DIARIO in Spanish 19 Jul 85 p 10 PY]

PRESIDENT PROMULGATES POLICE REORGANIZATION LAW

PY151425 Lima Radio del Pacifico in Spanish 1300 GMT 15 Aug 85

[Text] President Alan Garcia Perez last night promulgated the first law of the APRA [American Popular Revolutionary Alliance] government authorizing the executive branch to fully reorganize the police forces, and creating a commission headed by the interior minister to adopt measures for effective compliance with that law.

The way for promulgating this law was cleared when the Senate last night passed the bill submitted to it by the Chamber of Deputies. This measure was announced by the president in his inauguration speech on 28 July. This law, No 24284, was promulgated before 2300 last night. Soon after the president signed the law, he met until nearly midnight with members of the commission headed by Interior Minister Abel Salinas. The representatives of Popular Action and the Popular Christian Party had opposed passage of the bill.

SENATE BILL APPROVES CREATION OF NEW MINISTRY

PY142339 Lima Radio del Pacifico in Spanish 1300 GMT 14 Aug 85

[Text] After 3 hours of debate, the Senate has approved a bill creating the Ministry of the Presidency. This ministry, which will be headed by former Senator Nicanor Mujica Alvarez Calderon, will regulate and coordinate the operation of multisectorial bodies and decentralized public agencies. There were 40 votes for and 11 votes against this law. This APRA bill was supported by the Popular Action and Popular Christian Parties, and by even some independents. It was opposed by the United Left.

The Senate authorized the executive branch to issue a decree organizing the structure of the ministry of the Republic or Ministry of the Presidency, as this new agency will be called, and requested that it do so within 60 days.

INTERIOR MINISTER DISCLOSES DRUG RAID DETAILS

PY151315 Paris AFP in Spanish 0214 GMT 15 Aug 85

[Text] Lima, 14 Aug (AFP) -- Interior Minister Abel Salinas today disclosed information regarding a raid on an important camp of cocaine traffickers, where five aircraft used by the traffickers were seized. The minister said the raid was carried out by specialized police units near Caballococha, on the Amazon River, on the border with Colombia.

Salinas said several traffickers were arrested; two laboratories for the production of cocaine hydrochloride were destroyed; and pistols, rifles and communication equipment were seized.

The traffickers' camp has a 700-meter airstrip where underground deposits of cocaine-base paste were discovered. This unrefined product is usually produced at the coca-cultivation centers in the Selva Alta in Tingo Maria, and in the Huallaga River area.

Minister Salinas said the seized aircraft have a computerized directional system that allows them to find the airstrips in the middle of the dense Amazon jungle. Three of the aircraft have Colombian license numbers, one is Bolivian, and the other has U.S. registration.

Salinas said the operation was carried out with the support of President Alan Garcia, who assumed the presidency 17 days ago and has announced his decision to do away with drug trafficking, which poisons the youth.

According to the interior minister, this is the first phase of an operation that will continue during the next 3 or 4 days. He added that the second phase of the operation against this illegal activity must be about to conclude now. The minister said that they had found a series of landing strips used by drug traffickers and that some of them have concrete runways which shows the level drug trafficking has reached and how bold drug traffickers have become.

According to police sources, in the central jungle area alone, where the major cocaine-production centers are located, there are some 25 landing strips. Most of the cocaine-base paste produced is taken in planes or launches to Colombia, where it is turned into cocaine hydrochloride, which is how it is consumed in the United States or Europe.

The operation disclosed by Minister Salinas is one of the most important ones carried out in Peru during the past few years, similar to one carried out by Colombian Armed Forces in an area called Paraiso, some months ago. That area is some 500 km north of Caballococha.

ATTORNEY GENERAL VIEWS DRUG TRAFFIC, PIP LINKS

PY151253 Madrid EFE in Spanish 0120 GMT 14 Aug 85

[Text] Lima, 13 Aug (EFE) -- Drug traffickers in Peru have some 250 clandestine airstrips from which small planes, most of them with Colombian license numbers, take off loaded with cocaine paste from the Peruvian Amazon jungle.

This was disclosed by Attorney General Cesar Elejalde who is investigating the case of alleged drug trafficker Reynaldo Rodriguez Lopez after a cocaine laboratory was found in one of his homes in Lima on 24 July 1985.

The attorney general said Peru produces 50 percent of the cocaine that is illegally marketed in the world and stated that the country is not capable of struggling alone, without international cooperation, against the huge organization and the economic wealth that the drug traffickers have. Elejalde said that the organization, which is believed to be headed by Reynaldo Rodriguez, represents 15 percent of the cocaine exported from Peru, and it is only the tip of an iceberg.

Elejalde said the Drug Enforcement Agency [DEA] office in Lima had informed him about the connection between alleged drug traffickers or people involved in cocaine trafficking and those in Bolivia, Mexico, and other countries.

He denied having shown the list of connections to Luis Percovich, interior minister during Fernando Belaunde's administration. Percovich has been summoned to testify on 19 August by Judge Hugo Principe, who is handling the case.

Elejalde said he had opposed the promotion of a general of the Peruvian Investigative Police (PIP) because he was clearly described on the DEA list and had lost a lot of money gambling. The attorney general said he personally contacted President Belaunde and voiced his opposition to the promotion, which in the end was not granted. The PIP general that Elejalde was referring to was Jose Jorge Zarate, who must appear before Judge Hugo Principe today. According to a press report, Zarate has admitted that he was a friend of Reynaldo Rodriguez, and was godfather to one of his children, and that he had received favors from the Seturin Travel Agency, which belongs to the alleged trafficker. He also admitted that Rodriguez had friends in the PIP, but denied being aware of Rodriguez' criminal activities. He also said he did not know why he had not been promoted.

Meanwhile, Alfonso, brother of Reynaldo Rodriguez, appeared before Judge Principe who questioned him for 6 hours.

In the next few days, other PIP generals and former Minister Percovich will appear before the judge as witnesses. It seems that three foreign consulates in Lima were linked to Seturin. They stamped visas in passports sent to them by the agency owned by Reynaldo Rodriguez.

According to the government-owned newspaper, CRONICA, these visas were used by drug couriers sent by the alleged traffickers, and by criminals who would not have been able to leave the country otherwise.

NAVY TO MOTHBALL 2 SHIPS UNDER CUTBACK POLICY

PY151458 Paris AFP in Spanish 0033 GMT 15 Aug 85

[Text] Lima, 14 Aug (AFP) -- The Peruvian Navy announced today that it will mothball two ships under the new government's policy of reducing defense expenditures. The ships to be deactivated are the Chimbote, a logistical support ship, and the Salaverry, a landing craft.

The ceremony, in which the national flag will be lowered on both ships, will take place at El Callao port next Friday, 16 August, and it will be presided over by Navy Land Forces Commander Rear Admiral Gonzalo Gambirazo. This year, the Navy has already deactivated the antisubmarine ship Garcia y Garcia, and two landing craft, the Lomas and the Atico.

These measures are intended to reduce expenditures in the Navy Ministry's budget. The two ships that will go out of operation next Friday had high maintenance and operation costs because of their age.

BELAUNDE SWORN IN AS SENATOR FOR LIFE

PY141832 Lima Radio del Pacifico in Spanish 1300 GMT 14 Aug 85

[Excerpt] Former President Fernando Belaunde Terry has been sworn in as senator of the nation in compliance with a constitutional provision whereby outgoing presidents have a seat in Congress for life. He was administered the oath by Senate President Luis Alberto Sanchez.

CONGRESS RESOLUTION CONDEMNS SOUTH AFRICA REGIME

PA151954 Madrid EFE in Spanish 0130 GMT 14 Aug 85

[Text] Caracas, 14 Aug (EFE) -- The Venezuelan Congress today approved a resolution condemning the South African racist regime and the repressive campaign it has unleashed.

The resolution explains that the condemnation of the South African regime was decided in view of that government's policy of persecution and violence against those who oppose the hateful apartheid system.

The four point resolution rejects any discrimination based on race, and any social system that rejects the equality of human beings. It also demands the release of Nobel Prize winner [as received] Nelson Mandela and all of the imprisoned fighters for democracy. Finally, it urged the Venezuelan Government to support the measures that might be adopted to end apartheid and to condemn the racist South African regime in international organizations.

CONSALVI REPORTS TO CONGRESS ON CENTRAL AMERICA

PA150321 Caracas Television Service in Spanish 0000 GMT 15 Aug 85

[Report by correspondent Angel Bustamante from the National Congress -- recorded]

[Text] During a meeting of the congressional Foreign Policy Committee with Venezuelan Foreign Minister Simon Alberto Consalvi, the issues discussed were the Central American situation, the Contadora Group process, and Venezuela's alleged military assistance to a Central American country. At the end of his 2-hour meeting with the deputies, Consalvi seemed optimistic about the possibilities for achieving peace in Central America. He officially reported that the Contadora Group foreign ministers as well as the foreign ministers of Brazil, Argentina, and Peru will meet on 23 August in Cartagena. Consalvi categorically denied reports on an alleged request for Venezuelan military assistance to a Central American nation.

TALKS WITH GUYANA ON BORDER TO CONTINUE

PA150316 Paris AFP in Spanish 2358 GMT 14 Aug 84

[Text] Caracas, 14 Aug (AFP) -- Today Venezuelan Foreign Minister Simon Consalvi confirmed that the talks with Guyana regarding the Essequibo region have not been altered by the recent death of President Forbes Burnham.

Consalvi feels that during a period of goodwill and desire to negotiate, the doors be opened to talks with the government headed by Desmond Hoytes on the Essequibo region.

Venezuela and Guyana have had a border dispute for more than 20 years, which at this time is being studied by UN Secretary General Javier Perez de Cuellar.

Consalvi added: "States have policies that do not change easily and in Guyana, although President Burnham passed away, there is already a new president and the same group is in power, as well as the same political party that has led the country for the past few years."

MEESE, ATTORNEY GENERAL DISCUSS DRUG ISSUES

PA150208 Mexico City XHDF Television Network in Spanish 0100 GMT 14 Aug 85

[Text] A few minutes ago, Mexico's Attorney General's Office issued a communique on the meeting between the Mexican and U.S. attorney generals. According to the communique, Attorney Generals Sergio Garcia Ramirez and Edwin Meese considered several topics, the most important of which is the progress in the investigation of several drug trafficking cases and matters related to this trafficking, including the kidnapping and murder of the Drug Enforcement Administration members Enrique Camarena Salazar and pilot Alfred Zabala. They also discussed cooperation between members of the two organizations that combat drug trafficking in their respective countries. In addition, they considered the safety of U.S. tourists in Mexico, as well as the joint Mexico-U.S. program to eliminate marijuana and poppies. The Mexican Government plans to report to and orient the population on problems of drug trafficking and addiction.

The attorney generals reported that some progress has been achieved in the effort to combat the drug trafficking and agreed on the need for constantly accelerating the struggle against such trafficking. The meeting between the two attorney generals lasted 8 hours. U.S. Attorney General Meese will be received by Mexican President Miguel de la Madrid privately tomorrow. After that, Meese will fly back to the United States.

GOVERNMENT REAFFIRMS POLICY TOWARD SOUTH AFRICA

FL150225 Mexico City NOTIMEX in Spanish 2345 GMT 14 Aug 85

[Text] Mexico City, 14 Aug (NOTIMEX) -- The Mexican Government denounced South African domestic policy because their actions violate the fundamental principles of human rights. The Mexican Secretariat today said the determination is based on the recent aggravation of the prevailing situation in South Africa characterized by the establishment of a state of emergency, detentions without due process, forced displacement of the population, and imprisonment.

Because of this, the Mexican Government reiterated its support of Resolution 5691195 approved last 26 July by the UN Security Council, which requires the South African Government to immediately lift the state of emergency and to unconditionally liberate all political prisoners. In accordance with its traditional policy of repudiating apartheid, the Mexican Government reaffirmed the necessity to try all measures in agreement with international rights to obligate the Pretoria government to comply with the resolutions of the UN General Assembly and Security Council.

Mexico abstains from having any kind of relations with South Africa and actively promotes strict observance of the measures passed by the United Nations. Finally, the Mexican Government calls for the international community to adopt measures that reflect the gravity of the situation that exists in South Africa.

COMMUNIQUE CONDEMNS ATTACK ON EMBASSY IN GUATEMALA

PA151239 Hamburg DPA in Spanish 2339 GMT 14 Aug 85

[Text] Mexico City, 14 Aug (DPA) -- The Mexican Foreign Secretariat described today's attack against its embassy in Guatemala City during which two Guatemalan citizens were killed as deplorable and irresponsible.

In an official communique issued this afternoon from its headquarters in Tlaltelolco, the Foreign Secretariat states that this attack represents a deplorable and clearly irresponsible act. The communique states that the explosion of a grenade caused the deaths of two Guatemalan citizens who worked at the embassy. Mexican personnel, the communique added, were unharmed and damages to the building are minor.

The communique states that Abraham Talavera, Mexican ambassador to Guatemala, is in contact with Guatemalan authorities for an investigation of and a complete report on this incident.

The Mexican Government has sent its condolences to the families of the two dead Guatemalans.

Explosion 'Not Terrorist Attack'

PA151616 Mexico City XEW Television Network in Spanish 1300 GMT 15 Aug 85

[Text] Apparently there was not a terrorist attack yesterday at the Mexican Embassy in Guatemala City. At least, that is what Guatemalan Ambassador to Mexico Julio Cesar Montenegro said, adding that until now he has received reports, which must be confirmed later, that two employees, the custodian and the gardener of the Mexican Embassy in Guatemala who were both Guatemalans, were handling a hand grenade, and it exploded. Both of the employees were killed in the explosion. The Guatemalan ambassador said that according to the reports he has received, the grenade was not hurled from the street and that the incident occurred inside the Mexican Embassy grounds. Dr Julio Cesar Montenegro said that he did not know why the grenade was inside the embassy or why the gardner and the custodian were handling it.

Yesterday, at 1000 when we learned of the news, we telephoned Mexican Ambassador to Guatemala Abraham Talavera. If you listened to that brief conversation, you will recall we asked him if someone threw the grenade into the embassy from outside. He did not answer our question saying that he did not want to speculate. Apparently, the grenade was inside the embassy grounds; at least that is what the Guatemalan ambassador to Mexico says.

BELIZE MAY REQUIRE FOOD SUPPLY ASSISTANCE

FL150330 Mexico City NOTIMEX in Spanish 0240 GMT 15 Aug 85

[By Raymundo Martin Gomez]

[Text] Bacalar, Mexico, 14 Aug (NOTIMEX) -- Israel Alpuche Sosa, Belize's energy and communications minister, has said here that Belize may need Mexico's assistance to guarantee the food supply for its population since it runs the risk of losing all its corn, sugarcane, and soybean crops. Alpuche Sosa, who heads a delegation that came to participate in the Bacalar fair on the Caribbean coast, said a large amount of agricultural crops have failed in Belize due to lack of rain.

The minister explained the agricultural losses caused by the drought, which was also intense in the Mexican State of Quintana Roo, exceeds 200,000 Belizean dollars and he noted that Prime Minister Manuel Esquivel's administration has taken the necessary measures to reduce the greatest amount of agricultural products possible. Alpuche Sosa recalled that Mexico has always extended a hand to the Belizean people when it has been needed most and said now that we are in trouble, we are confident that you will sell us the most necessary articles.

JAPAN WANTS TO DOUBLE IMPORTS OF CRUDE OIL

FL142154 Mexico City NOTIMEX in Spanish 2118 GMT 14 Aug 85

[Text] Mexico City, 14 Aug (NOTIMEX) -- Japan is interested in doubling the amount of crude oil it buys from Mexico because Mexico is a trustworthy supplier, Yoji Sugiyama, commercial attache at the Japanese Embassy here, said today. If the price of crude increases, Japan could pay as much as \$50 per barrel without upsetting its balance of payments, Sugiyama added.

Of a list of 22 countries, Japan is the third biggest buyer of Mexican crude, at 160,000 barrels daily. Japan buys 10 percent of Mexican crude exports, exceeded only by the United States and Spain, which buy 49.2 percent and 11 percent, respectively.

At a press conference held at the Japanese Embassy in Mexico City, the diplomat said the world economy is seriously threatened by the trade war between the United States and his government. Sugiyama stressed that Mexico would be one of the nations most affected by Japan's large volume of trade with the United States. [as received] He said that it would benefit Mexico to join GATT because of the great volume of exports it manages.

FOREIGN TRADE SUPPORT TOTALED \$2.8 MILLION IN 1984

FL141956 Mexico City NOTIMEX in Spanish 1755 GMT 14 Aug 85

[Text] Mexico City, 14 Aug (NOTIMEX) -- The National Bank of Foreign Commerce (Bancomext) and the Fund for Promoting Manufactured Products (Fomex) have reported that total financial support to Mexican foreign trade, including guarantees, amounted to more than 850 billion pesos (\$2,833,333) in 1984.

Not included in this figure are the 330,991,000,000 pesos (\$1,103,000) that Bancomext contributed toward the total restructuring of the Mexican foreign debt. In 1984, Bancomext authorized credits and direct guarantees for 579,972,000,000 pesos (\$2 million), of which 469,714,000,000 pesos (\$1,565,000) were utilized, which represents an increase of 97.7 percent over the 1983 amount. The report said efforts had been made to channel greater resources to support foreign trade, which shows the interest the Mexican Government has in foreign commerce.

PEMEX FIRES 500 WORKERS, DISBANDS 99 UNITS

FL151912 Mexico City NOTIMEX in Spanish 1845 GMT 15 Aug 85

[Text] Mexico City, 15 Aug (NOTIMEX) -- The parastatal enterprise PEMEX announced yesterday the dismissal of 500 trusted employees and the disbanding of 99 administrative entities. PEMEX Director Mario Ramon Beteta said the measures are congruent with the economic policy announced by Mexican President Miguel de la Madrid last July, when he announced cuts in public spending. Beteta said that PEMEX, despite the adjustments, will continue to be the government's principal source of income. From its sales of crude, it will continue to supply 70 percent of foreign exchange, and it will continue to supply 95 percent of the energy Mexico needs for its development.

Regarding workers' severance pay, he said the enterprise will fulfill its contractual obligations to the letter and will pay off the workers in accordance with existing law. According to PEMEX, 76 PEMEX administrative entities will be disbanded, and 23 belonging to the Mexican Petroleum Institute (IMP).

NATIONAL DIESEL SELLS \$133 MILLION JAN-MAY

FL141924 Mexico City NOTIMEX in Spanish 1700 GMT 14 Aug 85

[Text] Mexico City, 14 Aug (NOTIMEX) -- The parastatal National Diesel (DINA) enterprise sold 58 billion pesos (more than \$133 million) worth of products from January to May 1985, according to the director general of the enterprise, Guillermo Becker Arreola.

When he presented his report to the DINA board of administration, Becker Arreola stressed the fact that DINA is an organization that encourages exports and the savings of foreign exchange, and that by reducing imports it also encourages investment in plants and maintains employment. He added that in addition to vehicles, the products included 6.65 billion pesos (\$2,190,000) in spare parts, 10,933 engines, and 411 tons of components and plastic products. He emphasized the fact that DINA expects total sales to reach 11,818 vehicles of all types by the end of 1985.

The vehicles sold from January to May were distributed as follows: 58.5 to the network of distributors, 20.2 percent to the public sector, 20.8 percent to diverse clients, and the remaining 0.5 percent to the international market.

BRIEFS

AMBASSADORS PRESENT CREDENTIALS -- New ambassadors from Italy, India, Poland, Singapore, Botswana, and the United Arab Emirates have presented copies of their credentials to Foreign Secretary Bernardo Sepulveda Amor. Italy's ambassador is Franco Ferreti, India's ambassador is Kershaspo Tehmurasp, Henryk Laszcz is Poland's new ambassador, Kishore Mahbubani is Singapore's ambassador, and Serara Tsholofelo Kerlogetme and Ahmed Salim Almokarrab are the ambassadors from Botswana and the United Arab Emirates, respectively. [Summary] [Mexico City NOTIMEX in Spanish 1455 GMT 15 Aug 85 FL]

AGREEMENT WITH COLOMBIA -- Mexico and Colombia have signed an agreement for the protection and development of the Caribbean Sea. The parties agree to take all necessary measures to prevent, reduce, and control pollution in the area, particularly regarding oil spills from vessels, aircraft, and man-made structures at sea. Measures will also be taken to prevent the discharge of waste from rivers, estuaries, coastal establishments and the like into the sea. Pollution resulting from prospecting and exploitation of seabeds will also be averted. [Summary] [Mexico City EL NACIONAL in Spanish 3 Aug 85 p 2, section 1 PA]

COLOMBIANS DETAINED -- Two Colombians were detained today at the Mexico City airport when they attempted to bring 1,175 kilos of pure cocaine into the country. The drug has an estimated value of \$1,175,000, airport police reported. Enber Vidal Zapata was carrying 850 grams of the drug, and Ruth Maria Nova Zuniga had 325 grams. [Summary] [Paris AFP in Spanish 0154 GMT 7 Aug 85 PA]

NORIEGA RETURNS FROM TALKS IN NICARAGUA, HONDURAS

Denies Mediator Role

PA152214 Hamburg DPA in Spanish 2042 GMT 15 Aug 85

[Text] Panama City, 15 Aug (DPA) -- General Manuel Antonio Noriega, commander in chief of the influential Defense Forces of Panama, has categorically denied reports that he is a mediator between Costa Rica and Nicaragua. Gen Noriega has just returned from a 1-day visit to Managua following a similar visit to San Jose a week ago. After arriving here Gen Noriega said: I am mediator of nothing. He added: I visited Managua and San Jose to gather information from top authorities and nothing more. I am not acting as a mediator to resolve the problems between those two countries.

Speaking in general terms, the general, who marked his second year in office last week, pointed out: Central America is experiencing a delicate situation and that is evident to all. Violence is a poor option that solves nothing. We must seek peace for the region. Noriega said that war must be avoided and that we must prevent the death of more Central Americans. He described his meetings in Managua as very enlightening and important.

Talks With Honduras' Lopez

PA160411 Panama City ACAN in Spanish 2141 GMT 15 Aug 85

[Excerpts] Panama, 15 Aug (ACAN-EFE) -- General Manuel Antonio Noriega embarked on an intensive peace-seeking effort that has taken him to Managua, where he was effusively greeted by the Sandinists, and to Tegucigalpa, where Honduran military chief Walter Lopez praised his peace-seeking mission, but also voiced some reservations about it.

General Noriega, chief of Panama's Defense Forces, unexpectedly traveled to Tegucigalpa this morning from Managua to meet with 45-year-old General Walter Lopez, chief of the Honduran Armed Forces.

After holding a friendly meeting with Noriega, which lasted over 1 hour, the Honduran officer described General Noriega's peace-seeking mission as "highly positive." Asked whether he would be willing to meet with the chief of the Sandinist Army, he said that that is a decision reserved for the president of the Republic and the Honduran Congress. He also said that his possible participation in a planned peace-seeking meeting between Sandinists and Costa Rican authorities in Panama to ease tension between the two countries is contingent on a decision by the Honduran President. After meeting with General Noriega today, General Lopez said: "General Noriega, with whom I hold an old friendship, and I discussed personal matters as well as topics involving the region which is experiencing a critical situation." General Lopez voiced his confidence that area conflicts, which in his opinion stem from economic problems, "will yield positive results for all the peoples."

PDC COMMUNIQUE REACTS TO NORIEGA STATEMENT

PA150359 Panama City Panavision Television in Spanish 0000 GMT 15 Aug 85

[Text] The Christian Democratic Party [PDC] today issued a communique signed by its acting president, Jose Antonio Sossa, in response to a recent statement made by General Manuel Antonio Noriega on the current national situation.

The PDC states that there is in fact a crisis in the country resulting from programs forcefully imposed on the Panamanians. The executive branch lied to the country and the legislative branch about commitments made to an international financial organization without prior consultations. The PDC added that the government is abusing its authority by trying to impose commitments made in a Letter of Intent.

Besides pointing out that recent fiscal measures were abruptly approved, the communique also stated that the executive branch is usurping the jurisdiction of the legislative branch.

Finally, the PDC reiterated its willingness to hold talks with all national forces that want to commit themselves in the task to build a genuine nationalist democracy.

CUSTOMS WORKERS PROTEST DEFENSE FORCES INTRUSION

PA150214 Panama City LA PRENSA in Spanish 13 Aug 85 p 1

[By Flor Quintero]

[Text] The workers at the Finance Ministry's Customs Department have decreed an indefinite national strike to protest the intrusion and intervention by Panama's Defense Forces yesterday at the Tocumen and Patilla airports, the Balboa dock, Paso Canoa, Vacamonte port, and Colon Free Zone, thus destroying the pre-agreements between Finance Minister Arturo Melo and the National Association of Customs Officials (ANFA).

The indefinite strike, under way since yesterday, Monday, at 1000, paralyzed all customs offices in the country, except in places where -- because of the nature of their work -- duties cannot be interrupted, as in the case of the international airport, and the offices in Paso Canoa and the Free Zone.

Early in the afternoon Deputy Finance Minister Julio Shaik met at the customs offices with ANFA leaders, but no definite agreements were made. Deputy Minister Shaik requested that the strike be ended while negotiations continue, but ANFA leaders would not accept this, stating that the strike will not end until the Defense Forces withdrew from the premises of the offices they took over yesterday.

It must be remembered that Finance Minister Melo intends to establish a "joint aid" program in customs that will allow the Defense Forces to control contraband without the aid of the customs officials' professional and technical expertise. Nevertheless, this program requested by the finance minister would not be implemented without the previous consensus of the customs employees.

Late yesterday afternoon, customs officials occupied Finance Ministry installations in full support of the state employees, and to reject the military intervention in "matters that pertain strictly to the Customs Department."

COSTA RICANATIONAL BANK MANAGER TO RESIGN IN JANUARY

PA160307 San Jose LA REPUBLICA in Spanish 8 Aug 85 p 6

[Excerpt] It was reported yesterday that Rolando Ramirez Paniagua, general manager of the National Bank of Costa Rica, had resigned. His resignation as manager of the country's major commercial bank will be effective starting in January. Reliable sources have told LA REPUBLICA that Ramirez' resignation stemmed from his differences with the Bank's board members on handling a rice mill owned by Cuban national Fernando Gomez. During the first inspection to the mill, which is located in Heredia, it was learned that there was a very serious shortage of the collateral given for a loan of 230 million colones granted to Mr Gomez. After the expert's findings were known, a second inspection was ordered, but it encountered many problems before it was concluded. This was the start of the problems leading to Ramirez' resignation.

EL SALVADORCASTILLO DISCUSSES DISPUTE WITH HONDURAS

PA152307 San Salvador EL DIARIO DE HOY in Spanish 15 Aug 85 pp 3, 54

[Text] The first ones to benefit greatly if the problem between Honduras and El Salvador is not solved are the guerrilla organizations. That was said by Foreign Minister Rodolfo Antonio Castillo Claramount during a press conference yesterday morning. The foreign minister said that the subversives are the enemies of democracy and the Salvadoran people, and that the Honduran Government is not the enemy. He underscored that this is where he must be extremely careful because if he became perturbed or embittered in his actions, this would greatly benefit the guerrilla groups' goals of delaying the achievements of a solution and extending the border delimitation problem between the two countries.

Castillo Claramount also said it is untrue that some of his statements have provoked an estrangement between Honduras and El Salvador. He said the talks concerning the possibility of a bilateral solution are now more feasible than during the last 4 and 1/2 years. The minister said it is curious that so much uproar and concern was created concerning a note sent to Honduras, when hundreds of similar notes have been exchanged between the two countries. He added that many actions deserving of a protest note were carried out in previous years; however, protest notes were not issued in those instances. According to him, it is preferable to issue a strongly worded protest at a given moment than remain silent and not protest.

"The conduct of a foreign minister who remains silent concerning an attitude that affects the Salvadoran Government is much more objectionable than one who voices an opinion that some feel is too strong and others feel is too bland," he said. He expressed surprise that the statements issued by some journalists and Honduran officials concerning El Salvador have not been mentioned in Honduras. He said, however, that those same people are the ones shocked by a protest note from the Salvadoran Foreign Ministry. Foreign Minister Castillo Claramount said that he feels satisfied because his actions and efforts are aimed at safeguarding Salvadoran interests.

Regarding the political maneuvering of the border dispute with Honduras, he said this is not news in that country; it is like "passing on a problem to the people so that they may debate the case."

He mentioned that this contrasts with the style in which El Salvador has always handled the issue, not only by himself but also by all previous foreign ministers, Fidel Chavez Mena, Jorge Eduardo Tenorio, and the rest. All have handled the border delimitation problem with extreme seriousness and caution. He underscored that the general peace treaty states that everything related with the border delimitation must be handled in private; if the issue is handled in a public way, it is a violation of the treaty.

Unfortunately, the border delimitation issue is being used as the main topic in political campaigns. The issue, however, was never mentioned during the political campaign in our country because these matters are so delicate that they should not be taken lightly or mishandled during a heated political debate. Instead, it should be handled delicately and carefully, he concluded.

ATTORNEY GENERAL ASKS FOR ROMERO CASE REOPENING

PA150437 San Salvador EL DIARIO DE HOY in Spanish 14 Aug 85 pp 2, 43

[Text] The Attorney General's Office yesterday presented a request that the case of Monsignor Oscar Arnulfo Romero's death, who was murdered on 24 March 1981, be reopened. The trial documents had already been filed at the Fourth Criminal Court in San Salvador because the judge found no further evidence to investigate. Nevertheless, the Attorney General's office -- represented by Roberto Pineda Padilla and another lawyer -- yesterday requested that the case be reopened stating that the declarations of some witnesses, who were not found on that occasion, are still pending.

In addition, a request was made for copies of the procedures carried out by the archbishopric, human rights commissions, and security corps. According to legal sources, Mgr Romero's case will be reopened after 3 years, as was recently done with Captain Avila's case. He was processed by the Fifth Criminal Court for alleged participation in the death of two U.S. citizens and a Salvadoran at a hotel in the capital. Two foreign witnesses appeared some days ago; they were brought to make a statement on the case.

FMLN COMMANDER VIEWS CHALATENANGO OPERATION

PA151506 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 12 Aug 85

[Interview with Commander Ricardo Gutierrez, chief of the General Staff of the People's Liberation Army and a member of the joint FMLN command in Guazapa, by an unidentified Radio Farabundo Marti announcer from the "guerrilla operations area" in Chalatenango Department -- live]

[Excerpts] [Question] Commander Ricardo Gutierrez, receive our revolutionary greetings from Radio Farabundo Marti. Commander, we would like to ask you about the results of the counterinsurgency operation that the puppet Army is carrying out in Chalatenango Department.

[Gutierrez] First, I wish to send combative, revolutionary greetings to all FMLN combatants, and to all of our people, especially to our companero laborers who are struggling for their just demands.

Regarding the counterinsurgency operation launched by the high command here in Chalatenango Department. I would like to say that it is a pretty expensive operation. They are using many aircraft with great destructive power; they are using airborne troops; and they have the Belloso Battalion, 4th Infantry Brigade, and the No 1 Military Detachment in the area.

This is an ostentatious operation with the political and propagandistic objective of supporting the statement made by loudmouthed Colonel Ochoa. However, we feel that this operation has been nothing more than a propaganda stunt that has backfired on the High Command and turned into an operation of attrition for its puppet forces.

Since 19 July to date we have counted 103 enemy casualties; 103 dead or wounded soldiers. This number of casualties is for Chalatenango Department. The enemy suffered these casualties during operations of attrition, by our mine fields, and during ambushes set on the Northern Trunk Highway, on the road between Chalate and Paraiso, and deep into the areas under our control. For our part, we must inform our people of the heroic death of another FMLN combatant.

Colonel Ochoa has said that he controls almost 90 percent of the department; however, our forces control more than 70 percent of the department and its municipalities. We have permanent control over the Northern Trunk Highway. We have carried out propaganda and political activities in Aguas Calientes, La Reina, Tejutla, San Fernando, San Francisco Morazan, Dulce Nombre de Maria, San Rafael, Santa Rosa, Ojos de Agua, Carrizal, (?San Cacho), San Antonio los Ranchos, San Jose las Flores, Nueva Trinidad, (?El Cacao), Nombre de Jesus, and San Antonio La Cruz. The presence of our troops is quite visible in all these towns. Another specific fact, and this is the truth, is that Ochoa's operation, besides being political and propaganda support for his statements, is an operation of destruction and genocide against our people.

[Question] Commander Ricardo Gutierrez, what is the cause for the failure of the counterinsurgency operations that the High Command has launched in Chalatenango as well as in other areas of the country?

[Gutierrez] In general, we can say that all of those operations are against the people and genocidal. They are operations of destruction launched by the High Command, and the soldiers are not willing to continue this genocidal policy against their own people. The soldiers are tired of killing their own people. This greatly affects the morale of the troops, among whom morale is low.

In turn, their military capability decreases. The troops disagree with genocidal operations. They are worn out and realize that the sole objective of those operations is to destroy their own people. The FMLN has clearly stated its plan to take advantage of any enemy operation, to take the initiative, be on the offensive, and turn each operation into a broad, integral, and complex attrition maneuver against their forces. We have inflicted more than 103 casualties on the enemy since 19 July; this further demoralizes regime troops who feel incapable of defeating the FMLN military apparatus, and avoiding our mined fields and guerrillas rifles.

[Question] According to what you have said on the demoralization and weariness of enemy troops, what is your opinion of a High Command announcement that it will maintain the operation in Chalatenango for 90 days?

[Gutierrez] Yes, in fact the High Command is seeking ways to raise the morale among its troops. They are making changes among the troops in order to keep them in the field. This is being done at a high cost in casualties among their troops, as well as in the attrition, weariness, and the further demoralization of their troops. This is part of a propaganda stunt to improve the image of the 4th Brigade commander. That image was tarnished almost 2 months after his arrival as a result of FMLN blows in Chalatenango Department.

[Question] Commander Ricardo Gutierrez, our microphones are at your disposal if you wish to add anything.

[Gutierrez] First, I would like to call on all of our people not to be deceived by the Armed Forces Press Committee reports, much less by statements by Colonel Ochoa. They are all propaganda stunts to (?improve) his image. Second, I call on all combatants to step up fighting against those troops.

GUERRILLAS REPORT HEAVY ARMY CASUALTIES

PA160304 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT
14 Aug 85

[Text] A successful, bloody ambush on the dictatorship troops in the Anastasio Aquino Paracentral Front. Attention, Salvadorans, pay close attention. On 13 August, we inflicted 18 casualties on troops of the 5th Infantry Brigade. As a result of the clashes held on 13 August in San Vicente Department, the enemy sustained 18 casualties, and a helicopter was damaged. We repeat: Attention, pay close attention. As a result of the clashes held on 13 August in San Vicente Department, there were 18 casualties and one helicopter was damaged. On 13 August, an enemy patrol went into the Chinchontepec Volcano, in the places known as (Chaleco), (La Finquita), El Mono Hill. At 1100, enemy troops clashed with our men. The enemy sustained three casualties, including one corporal. At 1400, a helicopter flew in to evacuate the casualties. Meanwhile, our units opened fire at that helicopter. It was damaged, and had to withdraw from the site of the clashes. It landed at the Jiboa sugar mill. The demoralized 5th Infantry Brigade withdrew towards Tecoluca. At 1600, as those troops were returning to their base, our men had already set up an ambush on the highway going from Tecoluca towards San Vicente, near (Chochimilco) canton. With one mortar blast, we killed one enemy and wounded 15 others, that is, 15 casualties for the 5th Infantry Brigade troops.

The results of successful 13 August clashes we inflicted 18 casualties; 18 casualties either dead and wounded, on the (?Tehuacan) Battalion of the 5th Infantry Brigade; one helicopter was damaged, and one truck was destroyed; 18 casualties, one helicopter was damaged are the FMLN's victories at the Anastasio Aquino Paracentral Front.

Here is a last minute report to our people. Here is a last minute report broadcast to our people through Radio Farabundo Marti. Sigifredo Ochoa's men: Our comrade Captain David tells us that on 13 August, units from the FMLN's Captain Ileana political and military detachment attacked puppet troops in La Montanita. We repeat: On 13 August, Captain Ileana political and military detachment units attacked puppet troops in La Montana, La Laguna Jurisdiction, Chalatenango Department. We have learned that during this clash the puppet troops sustained two more casualties. Our guerrilla tactics are advancing.

Now we have a report from the Modesto Ramirez Central Front. On 10 August rebel units of the Commander Felipe Pena Mendoza Battalion Group sabotaged a train in Los Angeles canton, only 8 km from the capital, San Salvador. The train locomotive and two railway cars were damaged during the action. The operation took place amidst an operation aimed at [words indistinct] the train route. Also from the Modesto Ramirez Central Front, we learn that we have inflicted more casualties on the dictatorship's troops participating in a land-raiding operation. Since 12 August troops of Military Detachment No 5 and the Paratroopers Battalion, and national guardsmen have been engaged in an operation on southern Guazapa Hill. We have inflicted 15 casualties on the enemies in that area. Fifteen casualties were inflicted on the enemy in clashes on 12, 13, and 14 August.

Another helicopter of those sent by Ronald Reagan to murder our people has been damaged on the eastern front. Those are the paper victories of Eugenio Vides Casabobo [play on the last name of General Vides Casanova, meaning fool's house] Pay attention to the details of this action.

At 1400 on 13 August in La Montanita canton, Osicala jurisdiction, Morazan Department, a guerrilla unit of the Rafael Arce Zablah Brigade ambushed a Huey helicopter damaging it and wounding one of its pilots. Also on 13 August in Corinto, Morazan, our units inflicted one casualty on the Cacahuatique Battalion.

Our guerrilla tactics are advancing. Reports arriving at Radio Farabundo Marti reveal that we are inflicting more and more casualties on the enemy and damaging and destroying the machines Ronald Reagan sends them.

Further Casualties in Morazan

PA150454 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Aug 85

[Text] Attention: We have more reports from Osicala. We are still wearing down the troops of the archthief Colonel [Mauricio Ernesto] Vargas. Today, Wednesday, 14 August, at 1150, guerrilla units of the Rafael Arce Zablah Brigade ambushed a section of the Lenca Battalion near the Hoja de Sal canton in Osicala jurisdiction, inflicting three casualties -- one dead and two wounded -- a total of three casualties on the troops of the thief Col Vargas, who has been received in Morazan Department with mines and revolutionary fire.

Attention: More casualties were inflicted on the dictatorship forces south of the Torola River in Corinto. On Tuesday 13 August on (Guitarron) Hill in Corinto, one soldier was wounded by revolutionary mines. Meanwhile, on Wednesday, 14 August, also in Corinto, at Cerro de Nubes at 1030 one soldier was killed by a mine. We have continued wearing down the dictatorship forces during their patrols throughout the entire country.

Attention: On Wednesday, 14 August, troops from military detachment No 3 in La Union suffered two casualties in Plan de Calpule. Two mines caused two casualties in Morazan in the [name indistinct] jurisdiction. We received Col Vargas, the thief, the associate of Colonel (?Llamas) with bullets. This is how the people of Morazan received this archthief who today dared to inform the press that he is coming to Morazan to consolidate positions north of the Torola River. What positions is he going to consolidate north of Torola River if they have none?

Now, there is lead for [Colonel Sigifredo] Ochoa. On 13 August FMLN units attacked enemy positions in La Montana, La Laguna jurisdiction in Chalatenango Department, inflicting two casualties on the puppet troops. More casualties for the troops of the gorilla [chucho gorilla] Ochoa, in Chalatenango. More casualties were inflicted on Ochoa in Chalatenango. Chalatenango is invincible, giving the big-mouthed Ochoa what he deserves.

GUATEMALA

MEJIA VICTORES ON MEASURES TO BOLSTER QUETZAL

PA150305 Panama City ACAN in Spanish 1950 GMT 14 Aug 85

[By Luis Marroquin Godoy]

[Text] Guatemala City, 14 Aug (ACAN-EFE) -- Guatemala's Chief of State General Oscar Mejia Victores today threatened to nationalize exports if speculation with the U.S. dollar, which has led to a high inflation rate in recent months, does not stop.

In the past 7 seven months, the U.S. currency has risen by 300 percent against the local currency, the quetzal. On the free market, the current exchange rate is three quetzales to one U.S. dollar, while at the official exchange rate is one to one. Speaking on the rise of the U.S. currency, the Guatemalan leader announced urgent measures to avoid an excessive rise in the inflation rate and to improve the country's economy.

Mejia Victores added that the economic situation is "asphyxiating," largely owing to actions by speculators, particularly the dollar speculators. The leader said: "I am warning those who are involved in the dollar market, and the owners of enterprises that generate foreign currency, that although I would prefer not to nationalize exporting enterprises, I will if this means an end to speculation and an improvement in the Guatemalans' living standard."

He also announced the closing of exchange houses that had been legally operating since February, and said that he will enact legislation establishing a foreign exchange crime [delito cambiario] in order to end free trading of U.S. currency. "We will pass legislation that will affect those sectors causing problems to our country, such as exchange houses, money dealers, and those who bring in foreign currency for trading," Mejia Victores said. The head of state added: "For that reason, we have thought about nationalization, which I believe is the solution."

Moreover, the military leader reaffirmed his government's decision not to devalue the quetzal, despite the existing differences between the official market where the national currency stands at par with the U.S. dollar. [sentence as received]

Meanwhile, groups within Guatemala's private sector, chiefly the exporters of agricultural products, harshly criticized Mejia Victores' warning, stating that this measure will only serve to reduce exports even more, and cause a drop in the state's foreign currency revenues. Recently, coffee growers demanded that the current government turn over to them 100 percent of the foreign currency they generate, which currently is given to them in quetzales at the official exchange rate.

PRIVATE SECTOR OPPOSES NATIONALIZING EXPORTS

PA152356 Panama City ACAN in Spanish 1834 GMT 15 Aug 85

[By Rodolfo Mobil]

[Text] Guatemala, 15 Aug (ACAN-EFE) -- Guatemala's private sector today expressed its "firm" opposition to any attempt by the military government to nationalize exports. The Coordinating Committee of Farming, Commercial, Industrial and Financial Associations (CACIF), which includes groups from the country's productive sector, said in a statement issued today that the adoption of such a measure would be a mortal blow to Guatemala's economy, which is facing the worst moment of its history. "It would be the beginning of the destruction of private enterprise, and a mortal blow to free enterprise," the CACIF declaration stated.

Head of State General Oscar Mejia Victores this week threatened to nationalize exports if speculation with the dollar does not end, as this practice has led to increased inflation in the past few months. "If necessary, those export firms that have not contributed to the improvement of the Guatemalans' standard of living will be nationalized," the ranking military chief said. Mejia Victores took power after a 1983 coup.

The head of state's threat came after the assassination last Monday in this capital of Roberto Castaneda Felice, president of the General Farmer's Association, and a CACIF director. The CACIF, which forced the military government to withdraw a tax package last April, says that export nationalization will create more unemployment in the country, a greater distrust of public investments, and it would exert a harmful effect on Guatemala's economy. In their statement, the businessmen describe the head of state's words as a "surprise" and add that Guatemala needs confidence, not uncertainty.

The CACIF, which has not directly suffered the consequences of the violence in the country since the murder in 1980 of their president, Alberto Habie, criticizes the government because at the meetings of the so-called great national dialogue that have taken place throughout the year, none of the sectors presented the alternatives of nationalizing exports.

The Guatemalan private sector's statement ends by stating that if exports are nationalized the consequences for the country's economy would be unpredictable. None of the eight presidential candidates who will participate in the 3 November elections have included the nationalization of foreign trade in their government programs.

HONDURAS

FOREIGN MINISTRY STATEMENT ON CONTADORA PROCESS

PA152339 Tegucigalpa LA TRIBUNA in Spanish 13 Aug 85 p 24

[Text] The Foreign Ministry, in reply to press comments published recently "which do not adequately reflect the Honduran Government's position in relation to the negotiating process taking place among five Central American countries with the Contadora Group's assistance," yesterday announced the following:

1. The position of the Honduran Government at the present stage of the negotiating process was clearly defined during the meeting of the deputy foreign ministers of Costa Rica, El Salvador, and Honduras that took place in Tegucigalpa on 1 August 1985, when it was decided to send to the Governments of Colombia, Mexico, Panama, and Venezuela, members of the Contadora Group, a note that in its relevant part stated:

"... The Governments of Costa Rica, El Salvador and Honduras are ready to restart talks at the plenipotentiary level in Panama City on the date set by the Contadora Group, and to fully deal with the points that were accepted by all parties for the agenda of 18 and 19 June. The Governments of Costa Rica, El Salvador, and Honduras feel that the multi-lateral forum of plenipotentiaries of the five Central American countries that have been meeting in Panama City correspond to the original consensus that established the framework of negotiations for the Contadora initiative. Consequently, this forum must be strengthened by way of extended meetings that give it a permanent status so that negotiations can be intensified and can conclude as soon as possible."

2. On 5 August, the deputy foreign ministers of the Contadora Group countries visited Tegucigalpa for the purpose of reactivating the process of negotiations and detente in the Central American area. The deputy minister explained the purpose of their mission and examined the situation in general with the Honduran authorities, headed by Acting Foreign Minister Tomas Arita Valle.

In their presentation, the deputy ministers clearly stated, among other things, that in their opinion the circumstances that brought the negotiating process to a halt on 18 June had not yet been overcome, and consequently, in their minds, it was not possible to call a meeting of plenipotentiaries of the five Central American countries.

The meeting of plenipotentiaries, in other words of delegations empowered to conclude legally binding agreements, is the only forum established by the five Central American countries within the Contadora initiative for the purpose of proceeding with the negotiations on the draft Contadora Document for Peace and Cooperation in Central America. These negotiations seek to perfect and complement the texts negotiated in 1984 in developing the document of objectives accepted by the five Central American countries on 9 September 1983.

They are negotiations that essentially deal with pending issues that are fundamental to Honduras' international security and territorial integrity, issues such as its borders, timetables for the reduction of military weapons, installations and troops in each Central American country, as well as timetables for reducing the number of foreign advisers and for establishing efficient mechanisms for political control and verification, security, and economic and social matters.

The local and international public understands well that Honduras can only hold such negotiations with other participating countries; in other words, Costa Rica, El Salvador, Guatemala, and Nicaragua. Therefore, for these negotiations to develop usefully, it is necessary to facilitate and stimulate discussions in a multinational forum that permits all parties to present their positions and observations in order to find formulas that are generally acceptable. Such negotiations obviously require the active participation of the five Central American countries, which is irreplaceable, as the Contadora Group deputy foreign ministers once again acknowledged in Tegucigalpa.

3. The Honduran Government, through the Foreign Affairs Secretariat, has expressed on numerous occasions its firm political support for the Contadora Group and hereby wishes to reiterate its full willingness to continue the consultations that may be necessary with the Central American countries and the Contadora Group, to promote Nicaragua's return to the negotiating table and thus assure a broad and comprehensive discussion of all pending topics, to conclude a draft document that will guarantee -- by its substantive clauses and the mechanisms for enforcement and control that they may contain -- a future of peace, democracy, security, and economic and social development for the Central American countries.

NICARAGUA

PRESIDENT REJECTS 'TRIPLE DIALOGUE' PROPOSAL

PA151858 Panama City ACAN in Spanish 1827 GMT 15 Aug 85

[Text] Managua, 15 Aug (ACAN-EFE) -- President Daniel Ortega described the proposal for a "simultaneous triple dialogue" as a "CIA diversionary action." The proposal to solve the Nicaraguan conflict was made this week by an anti-Sandinist coalition. The proposal, which was revealed on Monday in Panama, consists of conversations between the United States and the USSR, between Nicaragua and its neighbors (Costa Rica and Honduras), and lastly, between the Sandinist government and the armed and political oppositions.

Yesterday, leaders of the Southern Opposition Bloc (BOS) of Nicaragua, who proposed the triple dialogue, presented their plan to Colombian President Belisario Betancur. The BOS is made up, among other forces, of the Democratic Revolutionary Alliance (ARDE) that is fighting in southern Nicaragua at the orders of Eden Pastora, and the National Conciliation and Rescue Movement led by Alfredo Cesar. According to Managua political sources, the BOS leaders have the support of former Venezuelan President Carlos Andres Perez.

President Ortega answered some reporters' questions when he said that the CIA is trying to mar the peace efforts of the Contadora Group through the BOS proposal. He added that the CIA's plans are evident now that the Contadora Group is stronger through the efforts of the support group that includes Brazil, Argentina, Uruguay, and Peru, which is supporting a permanent effort for peace in Central America.

The BOS leaders are touring three Contadora Group countries in order to present their proposal for a "simultaneous triple dialogue."

Ortega referred to the BOS political efforts following a meeting he held in this city with the chief of the Panamanian Defense Forces, General Manuel Antonio Noriega, who today concluded his official 24-hour visit to Nicaragua, at the invitation of the Sandinists.

DEFENSE MINISTRY ON GENERAL NORIEGA'S VISIT

PA160100 Managua Domestic Service in Spanish 2230 GMT 15 Aug 85

[Communique issued by the Defense Ministry's Directorate of Public and Foreign Relations in Managua on 15 August, read by correspondent Mario Antonio Zelaya -- live]

[Text] The Defense Ministry reports that Panamanian General Manuel Antonio Noriega, commander in chief of the Defense Forces, arrived yesterday in our country at 1043 at the official invitation of Nicaraguan Commander of the Revolution Humberto Ortega Saavedra, minister of defense, and within the framework of Panama's efforts to find a solution to the current problem between Nicaragua and Costa Rica. Gen Noriega was given a welcome befitting his high military rank by a delegation led by Commander of the Revolution Humberto Ortega Saavedra, defense minister.

Gen Noriega was accompanied by a delegation comprised of Lieutenant Colonel Elias Castillo, Lieutenant Colonel Ricardo Garibaldo, Major Luis Cordoba, Major Cristobal Silvera, Major Carlos Garcia [3-second break in transmission] [name indistinct] Panama's Ambassador to Honduras [2-second break in transmission], and Martin Torrijos, son of General Omar Torrijos.

The Nicaraguan delegation led by the defense minister was comprised of Brigade Commander Leopoldo Rivas, Brigade Commander Hugo Torres, Brigade Commander Julio Ramos, Commander Emmett Lang, Commander Omar [name indistinct], and Deputy Foreign Minister Jose Leon Talavera.

Immediately following his arrival, Gen Noriega placed a floral wreath at the Mausoleum of the Sandinist revolution's commander in chief Carlos Fonseca Amador. Afterward, the defense minister and Gen Noriega met for 1 hour and 15 minutes to discuss diverse matters related to the two military institutions, governments, and the Contadora Group's efforts regarding the regional situation.

In the afternoon, the two Army chiefs visited the "From Intervention to Liberation" Museum, where the distinguished guest was briefed on our country's history.

Afterwards, Gen Noriega signed the visitors book where he wrote a message to the Nicaraguan people. Next, the two chiefs visited the Omar Torrijos Artillery Brigade where the ranking visitor congratulated the officers, noncommissioned officers and soldiers of the Sandinist People's Army [EPS] for their proven ability to handle artillery techniques; moreover, he congratulated the Sandinist Air Force crew who demonstrated the capabilities of MI-24 and (?HNI-17) helicopters.

At 1830, Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, received Gen Noriega, who was accompanied by Commander of the Revolution Humberto Ortega Saavedra, defense minister; Commander of the Revolution Jaime Wheelock Roman, agricultural-livestock development and agrarian reform minister; and Deputy Foreign Minister Jose Leon Talavera. During this meeting, the two sides reiterated their concern over the situation between Nicaragua and Costa Rica, as well as the need for immediate talks as the best alternative to ease tensions existing between the two countries. Likewise, Gen Noriega, chief of Panama's Defense Forces, reaffirmed his country's commitment to expedite the talks between Nicaragua and Costa Rica, and reiterated a proposal to hold such talks in the Republic of Panama. Next, Nicaragua's president hosted a reception in honor of Gen Noriega attended by Nicaraguan state ministers, the diplomatic corps, and military attaches accredited in this country.

The defense minister and top EPS chiefs bade farewell to Gen Noriega today at 0915 at the conclusion of his official visit to our country, which served to reinforce the ties of friendship between the two peoples and armed institutions, and the two government's common efforts to achieve peace in Central America.

Noriega Evaluates Talks

PA151605 Managua Domestic Service in Spanish 1512 GMT 15 Aug 85

[Press conference granted by General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, at Augusto Cesar Sandino International Airport in Managua prior to his departure from Nicaragua; questioners not identified -- live]

[Text] [Question] Upon leaving Nicaragua, what is your general evaluation?

[Noriega] We believe that it has been an interesting visit. We have addressed the problems in a frank manner. Panama maintains its position of active belligerency [belligerencia] for peace and the search for a solution to the conflicts through dialogue and avoiding violence because, I repeat, no one wins with violence. We will lose, even the journalists.

[Question] [Words indistinct] search for peace?

[Noriega] Peace itself.

[Question] I want to repeat the question we asked last night. Is there concern that an aggression against Nicaragua might affect only Nicaragua or do you think that it could affect the entire region?

[Noriega] A conflict anywhere in the region will spread. In other words, geopolitically and analytically speaking as a soldier, no geographic point in Central America can remain outside any conflict.

[Question] I'm the journalist who (?talked) to you on Friday. I don't know if you remember.

Can you give us more details on your talks with the Nicaraguan Government during the past 24 hours? What did you discuss?

[Noriega] They were very (?broad). We discussed the various positions, and the complaints and positions of the other nations. We heard the arguments, and we tried to move toward solutions. We definitely found that the point of solutions is a negotiations table from which the soldiers cannot be absent because the problem is military. The problem is the soldiers who risk their lives and blood. Therefore, soldiers cannot be absent from an analysis.

[Question] Was the Nicaraguan internal opposition included in the points (?you discussed)?

[Noriega] Well, that would be the detail of the detail. We analyzed it in an overall manner. Panama views it in an overall manner. Each country must handle its own details.

[Question] Do you think Honduras should participate [words indistinct]?

[Noriega] [Passage indistinct]

HUMBERTO ORTEGA DISCUSSES MOBILIZATION, DIALOGUE

PA151850 Managua Radio Sandino in Spanish 1200 GMT 15 Aug 85

[Text] Nicaraguan Defense Minister Commander Humberto Ortega Saavedra characterized the recent blows inflicted on the counterrevolutionary organizations as the beginning of the total defeat of the mercenaries, and announced an imminent mobilization of thousands of men to put an end to the war that has been imposed on us and that no one wants.

[Begin recording] We have been talking. We believe this kind of meeting [presumably with visiting Panamanian General Manuel Antonio Noriega] serves to strengthen the spirit of Panama and Nicaragua in favor of a dialogue in the region as the most civilized step that will permit us to search for negotiated peaceful solution and ease the tension that has been worsening, especially as a result of terrorist actions such as the one carried out by ARDE against U.S. Christians and foreign journalists from Costa Rican territory. This and other situations are a source of concern for governments such as those in Costa Rica and Nicaragua, and other governments in the region.

We believe that the best way to find solutions is through dialogues such as the one General Noriega mentioned during his recent visit to Costa Rica, and on other occasions. Such dialogues should be propitiated.

You know that during the first 6 months of 1985, the mercenary forces made big efforts to try to frustrate the 19 July anniversary of the revolution. By gathering more than 500,000 Nicaraguan citizens at the main event in support of the revolution, our revolution clearly demonstrated that it has the people's support. We -- those in the Sandinist People's Army, in the militia, in all of the structures of our Army -- have demonstrated how armed people, organized within an army, can defeat the mercenary war imposed on us. The recent events in La Trinidad have made it especially evident that the total defeat of the mercenaries is possible thanks to the development of the Armed Forces.

Now there is the possibility of operationally combining air and land attacks. On this occasion, with the participation of helicopters, which were very important in these operations, we inflicted more than 200 casualties on the enemy.

The most important aspect here has been the massive mobilization of the people. In the next few weeks and months we are going to mobilize thousands of additional men because only through a massive mobilization of the people will we be able to quickly end the war. What we all want is to recover the calm we conquered on 19 July. For this reason, all Nicaraguans must be mobilized in the framework of the Armed Forces to put an end to this tragic war that has been imposed upon us and that no one wants. [end recording]

Commander Ortega made this statement prior to the meeting that he, President Daniel Ortega, and Commander Jaime Wheelock held with Gen Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces.

D'ESCOTO POSTPONES PLANNED VISIT TO AUSTRALIA

BK140154 Melbourne Overseas Service in English 0130 GMT 14 Aug 85

[Text] The Nicaraguan foreign minister, Father Miguel D'Escoto, has postponed his planned official visit to Australia next week because he has been on a hunger strike. Father D'Escoto has been protesting against the United States policies toward Nicaragua. The Foreign Affairs Department in Canberra says no alternative dates for the visit have yet been set. It had been planned to reciprocate a visit last year by the foreign affairs minister, Mr Hayden, to a number of Central American countries, including Nicaragua.

HERRERA ON SANDINIST ASSEMBLY REORGANIZATION

PA160251 Managua Radio Sandino in Spanish 1930 GMT 15 Aug 85

[Text] Commander Leticia Herrera told Radio Informaciones today that the reorganization of the Sandinist Assembly's cadres is being done to improve the Assembly's work and better serve the people. Commander Herrera, member of the Sandinist Assembly, said that a greater decisionmaking capacity will come from this reorganization since this is all part of the dynamic development of the revolution. She added that this is being done to eliminate sectarianism in the direction of this revolution, and fight the somewhat feudalistic ideas expressed from time to time. I believe that this reorganization will help us get an overall idea on how to direct, centralize, and use our human and material resources; how and where to invest all that we have, what little we may have; and get the best results.

[Reporter] Commander, could you explain what this reorganization of the Sandinist Assembly means?

[Herrera] The public has already been informed of the reorganization of some cadres. To give you a specific example: the appointment of a government delegate.

This office will be held by the companero who holds the office of political secretary. What are we trying to do with this appointment? We are trying to involve the political directorate in the administrative tasks of the government. What would this achieve? It would further integrate the various organizations of the front in which the Armed Forces, government, party, and mass organizations are represented. We seek to create an organization with an overall view of the problem, an organization capable of learning from the experiences of the people, of using these experiences as its source of energy, and putting them into practice. Do you understand me? Interpret, and receive the experiences of the people, and turn them into guidelines in accordance with the needs of the people. I feel that this is what we can achieve with the changes we have made.

The reactionary sectors have misinterpreted these changes. They have said that we are sanctioning, punishing, and discriminating. No. All changes made here will always be to improve our work. All changes made here will be to better serve the people. We can do this if we have an overall idea of the situation, a greater decisionmaking capacity, and a clear vision on how the leaders of this revolutionary process and the people should be related. [end recording]

UNAG DELEGATE PREDICTS GOOD CORN HARVEST

PA141456 Managua Radio Sandino in Spanish 0000 GMT 13 Aug 85

[Text] There will be a good corn harvest in Special Zone 1 in northern Zelaya because the established goals have been exceeded. Arquimedes Rivera, a National Union of Farmers and Cattlemen [UNAG] delegate in Special Zone 1, reported on the goals exceeded for some products such as corn, of which more than 2,000 manzanas were planted of the 1,500 manzanas initially planned. There were serious problems in this zone due to heavy rainfall that endangered the crops. However, the weather later normalized, contrary to the situation in southern Zelaya where losses were considerable. Rivera, a member of the UNAG Board of Directors, provides more detailed information:

[Begin recording] We expect a great corn harvest because the cornfields look very good. I have seen several cornfields, and there are some very, very good lots as never before, the companeros told me. The reason for this is that the rainy season finally stabilized; the rains fell when the corn was still very young and in the end the situation was quite normal. As far as yuca is concerned, it is customary to plant yuca for high consumption. Instead of 163.5 manzanas, 199.5 manzanas were planted thus exceeding the goal. [end recording]

PRIVATE SECTOR LEADERS HOLD MEETING IN MATAGALPA

PA150228 Managua LA PRENSA in Spanish 12 Aug 85 pp 1, 12

[Excerpts] The representatives of the various associations and organizations of the private sector in Nicaragua's northern region gave total support to Enrique Bolanos Geyer, president of the Higher Council of Private Enterprise (COSEP), yesterday in Matagalpa. On his part, Bolanos Geyer asked for more action by the businessmen at all levels to maintain unity and the existence of country's private enterprise sectors, which has the support of the international private sector.

Pedro Gutierrez, president of the Nicaraguan Institute of Development [INDE] of Matagalpa, introduced the various speakers. COSEP President Enrique Bolanos Geyer said that he was fulfilling the commitment he made when he became a leader of the private sector.

He explained that the Matagalpa regional meeting begins a series of meetings that will culminate with an important meeting on 8 September in Managua, where businessman's day will be commemorated. He said that ideas need to be exchanged to develop concepts about the private enterprise that annoys the Sandinists so much. Bolanos Geyer said: The talent of the businessmen has to be awakened so that they will defend the principles of the private sector and so that there will be a better Nicaragua for our children and grandchildren.

COURT SENTENCES PANAMANIAN 'COUNTERREVOLUTIONARY'

PA142007 Managua BARRICADA in Spanish 13 Aug 85 p 8

[Text] A Panamanian counterrevolutionary has been sentenced by the anti-Somozist people's tribunal for violating the law on the maintenance of public order and security. Norberto Torres Tejada, from San Miguelito, Panama, injured a man with a broken bottle while drunk in the Maracaibo bar in May 1983. He fled to Costa Rica. In Costa Rica, he became friends with a man known as Luciano who had the telephone number of a doctor named Juliano who was the contact of the CIA group known as ARDE in San Jose.

Torres Tejada subsequently went to the mercenary base known as "Tango" in Costa Rican territory. He received military training at that base. Along with 130 mercenaries led by "Tadeo" and "Israel," he participated in the attack on El Castillo in September and then returned to Costa Rica. In November, the group infiltrated the country again with new instructions to avoid clashes with EPS troops and to carry out hit-and-run actions. For this purpose they had mines, howitzers, and large amounts of ammunition.

With the contra chief known as "Navegante," they went to El Delirio. Their leaders were El Diablo, Tigrillo, and Ramon. They attacked the El Verdun Command. In their flight, Torres Tejada was wounded in the knee. Another contra chief known as "Ciclon" ordered them to hide in order to ambush the EPS troops. After 5 days, they clashed with the EPS troops. Then, they withdrew to San Francisco where they were surprised by the EPS. Torres Tejada was wounded in several areas and then captured.

The anti-Somozist people's tribunal sentenced him to 11 years in prison for his counter-revolutionary activities.

CARRION VIEWS CONTRA PLANS IN NORTHERN REGION

PA141917 Managua Radio Sandino in Spanish 1200 GMT 14 Aug 85

[Text] A special meeting called by Commander of the Revolution Luis Carrion Cruz, deputy interior minister, was held at the Our Lady of the Rosary School in Esteli. It was attended by leaders of mass organizations and state institutions who were urged to continue to be alert to prevent actions by the counterrevolutionaries. Hundreds of leaders of the Sandinist Defense Committees, women organized in the Luisa Amanda Espinoza Association of Nicaraguan Women, and students of the Sandinist Youth participated in the meeting in which Carrion, a member of the FSLN National Directorate, gave details of the counterrevolutionaries plans in the country's northern region.

[Begin recording] The counterrevolutionary army has overall objectives; in other words, its objective is not merely to seize towns or stage an attack and kill a leader. It has an overall objective. It seeks to seize political power. It wants to destroy the revolutionary power. In view of this overall objective, it has drawn up an overall strategy. Each of the counterrevolutionary forces that act in the national territory follow a plan drawn up by the CIA centers, by the intelligence centers of U.S. imperialism.

This is combined with the other actions, the trade and financial blockade, and the false propaganda that seeks to confuse the people and is spread by some press organs and other organizations in the country.

At this time, the counterrevolution, within its overall strategy, is trying to enhance its position in the war it has been waging for several years against our people. The CIA leaders understand that the counterrevolutionary war being waged against the people must advance because if it does not, it will begin to fall back. There are no ties in this or any other war. There are only two possibilities: Either you win or you lose. The CIA leaders understood that their forces were becoming weak and that as long as those forces remained deep in the mountains they would not fulfill any political or military objective. They understood that the local population in those areas could no longer endure the heavy burden that the presence of those forces means in areas where the peasants are very poor and do not have the resources for large counterrevolutionary groups. Desertions were increasing and demoralization was gradually increasing among the counterrevolutionary ranks and their base of support was beginning to show signs of weariness and to reject the counterrevolutionary groups. [end recording]

FIGHTING BETWEEN CONTRAS, ARMY BECOMING 'INTENSE'

PA141949 San Jose Radio Reloj in Spanish 1200 GMT 14 Aug 85

[Text] The fighting between rebels and Sandinist military elements is becoming more intense. According to reports broadcast by a clandestine rebel radio station and heard by the Democratic Revolutionary Alliance, yesterday the fighting in the river port of Punta Gorda, Nueva Guinea, between communist soldiers and rebels became very intense.

Franklin, commander of the region, attacked the Sandinist Army's barracks in Nueva Guinea with three columns upon the instructions of Eden Pastora. As a result of this action, 11 persons died and 6 others were seriously wounded.

According to the ARDE report, the Managua troops in that area are under a Cuban colonel who is a specialist in jungle warfare and who was sent there by Fidel Castro for this reason.

ARDE Inflicts Casualties

PA140346 Panama City ACAN in Spanish 2256 GMT 13 Aug 85

[Text] San Jose, 13 Aug (ACAN-EFE) -- The rebel Democratic Revolutionary Alliance (ARDE) inflicted 17 casualties on the Sandinist Army in the past few hours during clashes in the vicinity of the port town of Atlanta in the central part of Nueva Guinea Department in southern Nicaragua.

An anti-Sandinist spokesman reported today that of these casualties inflicted by Commander Eden Pastora's irregular forces, 11 were killed and 6 were seriously wounded.

The source indicated that three guerrilla columns led by Commander "Franklin" initiated an attack early today on the Sandinist People's Army (EPS) garrison in Atlanta. The anti-Sandinist reports added that ARDE forces have inflicted 17 casualties on the Sandinists, "a large number of wounded," and they have destroyed nine military transportation trucks in Rio San Juan Department in southern Nicaragua.

PSC'S JARQUIN DISCUSSES DIALOGUE, CONFLICT

PA151443 San Salvador Radio Cadena YSU in Spanish 1905 GMT 14 Aug 85

[Interview with Social Christian Party, PSC, President Agustin Jarquin by correspondent Raul Beltran; date, place not given -- recorded]

[Text] [Beltran] We are now with Agustin Jarquin, president of the Social Christian Party of Nicaragua. First, he will give us a brief analysis of the Nicaraguan situation, particularly the survival of political parties like the PSC.

[Jarquin] If we are going to refer to the Nicaraguan situation, we must also refer to the fact that the Nicaraguan progress that is under way is characterized by a general deterioration. Frankly, there is an increased deterioration in the economic, political, social, and military situation. Unfortunately, the stubborn, sectarian position of the FSLN government party contributes to an increase in this marked deterioration process that affects the population and could lead us to a generalized armed conflict. This would represent disaster for us. Various independent civic organizations, political parties, labor groups, business groups, and other organizations exist amidst that situation in Nicaragua. In its own field, each one seeks to strengthen a civic option that leads to a democratic system. We specifically advocate the initiative for a national dialogue because we feel that only an understanding among all Nicaraguans will make it possible to overcome the crisis that is becoming increasingly worse in Nicaragua, and to achieve a national reconciliation that helps us to overcome these problems. This is an extremely important goal; however, our actions within the country are being limited by the restrictions imposed by the government. There is an ironclad censure of the news media -- the scant independent news media that exist in the country; there are restrictions on the mobilization of political parties and labor unions; and human rights have been practically abolished in the country for some years so we have a political space, but we have a limited capacity for action. Deplorably, this political space is being threatened and that tends to increase this process of deterioration and paralyzation in which Nicaraguans are submerged.

[Beltran] Mr Jarquin, when speaking of a dialogue between all the forces in Nicaragua or among all Nicaraguans, does this also include the so-called counterrevolutionary groups, even the former Somozist guards who have also joined these groups?

[Jarquin] The call even includes the FSLN itself. We believe that a solution to the national problems must involve all sectors. The groups waging an armed struggle against the Nicaraguan Government are part of this solution. The ranks of the Nicaraguan Democratic Force [FDN], which is always mentioned as being comprised of former National Guard members, are in fact comprised mostly of peasants; there is a relatively small number of former Somozist Guards, mainly in the mid- and top-level positions, who had critical positions during Somozist times. There are even some who describe themselves as Somozists. For example, Colonel Bernardino Larios has ties to one of these groups in the south, but he was defense minister for the revolution and part of the FSLN. Since he is now part of the opposition, he is described as a National Guard member. I definitely advocate a solution and believe that everyone should join the effort, including the FSLN.

[Beltran] Since we have begun to discuss the armed groups in Nicaragua, Mr Jarquin, what possibilities do the groups waging an armed struggle in Nicaragua have of achieving victory?

[Jarquin] We prefer to emphasize that the current situation will lead us to a generalized armed conflict.

It would be difficult to achieve a military victory against the FSLN, but it is also difficult to achieve a military victory against the armed groups. The truth, as we have been analyzing it, is that the struggle is becoming increasingly generalized and these rebel groups' capacity for internal territorial mobilization is increasingly better. Clashes are being reported in the country's central sector, approximately 100 km from Managua, in the Departments of Boaco, Chontales, southern Matagalpa, and southern Esteli. Therefore, the growth of this military situation is quite obvious. It would be adventuresome to speculate if these groups will be able to defeat an Army that is heavily armed with sophisticated weapons and supported by the Soviet Union. However, the actions carried out by these groups are definitely dealing blows against the FSLN and are even undermining its government actions. This growing polarization will eventually lead us to a generalized military conflict that might even involve other countries. We must bear in mind that there is a tense situation concerning Costa Rica. A tense situation previously existed with Honduras, with whom we do not have the best of relations, and this situation worries us.

[Beltran] Agustin Jarquin, within this worrisome situation and taking into consideration the government structure you have described, what is the role played by political organizations like the PSC, and what are the odds for its survival?

[Jarquin] Well, we play a role that implies a civic participation -- at least we hope that we do. We believe that violence does not solve the people's problems. Specifically speaking, Nicaragua's history is marked by violence and the changes in government that we have had since our independence have been carried out at gunpoint. Unfortunately, we do not have a tradition of civilian governments. We seek to strengthen and enlarge these civic efforts as much as we can. That is why we live in the country seeking ways to maintain the hope for a civilian solution. If we -- and I am not only referring to the PSC, but also to all the other organizations, parties, labor unions, and business groups -- leave the country, the civilian solution would become even more impossible. Aware of this responsibility, we are now trying to increase our internal capacity to seek a solution despite all of the prevailing restrictions; however, we must admit that this capacity is quite limited.

[Beltran] A problem has caught the world's attention during the last days: The FSLN and government have mentioned an invasion by U.S. Marines. What is the Nicaraguan people's viewpoint of this possible situation, and do you think that the Nicaraguan people would accept this?

[Jarquin] This story is similar to that of the shepherd and the wolf. I do not know exactly how many times, but the government has often announced that an invasion is imminent. I recall that on one occasion, specifically last year, President Daniel Ortega announced it while he was at the United Nations, excuse me, when he was in New York. After making the announcement he went to Hollywood to lobby among the actors and actresses; therefore, it seemed as though he did not take this issue of an invasion very seriously. If he had taken it seriously, it would have been logical for him to return to his country immediately. Consequently, we can state that the people are accustomed to this, and when the FSLN announces this they understand it is aimed at mobilizing the masses in an effort to activate the party structures. The usual behavior by the FSLN of constantly repeating that the invasion is coming whenever this is deemed convenient is not taken seriously by the majority of the population. However, the possibility that the U.S. Army may participate in an armed conflict in Nicaragua is a real possibility; but I do not think that the conditions are given for this to take place, and we sincerely feel this way. Nevertheless, if the situation deteriorates even more in the near future, this is possible as anything is possible in Nicaragua.

[Beltran] We thus conclude our interview with Mr Edmundo Jarquin who will return to Managua this afternoon.

RISQUET MEETS WITH ETHIOPIAN POLITBURO MEMBER

FL151308 Havana Domestic Service in Spanish 1100 GMT 15 Aug 85

[Text] Fiseha Desta, member of the Workers Party of Ethiopia Politburo and Secretariat, has met with Cuban leader Jorge Risquet who has been paying a working visit to Addis Ababa since 13 August.

Fiseha Desta and the Politburo member of the Communist Party of Cuba discussed the present situation in Central America and Africa and matters relating to the Nonaligned Movement.

BAHAMIAN FOREIGN MINISTER CONCLUDES VISIT

FL152112 Havana Domestic Service in Spanish 2030 GMT 15 Aug 85

[Text] Minister of External Affairs and Tourism Clement Maynard, of the Commonwealth of the Bahamas, concluded his working visit to our country today and was seen off by various Cuban personages.

During his visit to Cuba, the Caribbean leader met with his Cuban counterpart, Isidoro Malmierca, and discussed subjects of general interest.

HART ENDS OFFICIAL VISIT TO CZECHOSLOVAKIA

FL151530 Havana Domestic Service in Spanish 1100 GMT 15 Aug 85

[Text] Armando Hart, Politburo member and culture minister, has ended a brief official visit to the CSSR.

UN COMMITTEE VOTES RESOLUTION ON PUERTO RICO

FL151413 Havana Domestic Service in Spanish 1100 GMT 15 Aug 85

[Station commentary]

[Text] The UN Committee on Decolonization has approved a resolution reaffirming the inalienable right of the Puerto Rican people to self-determination and independence.

The resolution was submitted by Cuba and Venezuela and acknowledges the increased importance Latin American people and nations give to their unity and cultural identity.

The UN Committee on Decolonization voted as follows: 11 voted for the resolution; one against, that of Chile, and 10 abstained.

After intense negotiations, the final text approved was a combination of proposals submitted independently by Cuba and Venezuela.

According to observers, the main difference between the resolution approved last year, also promoted by Venezuela and Cuba, and this one is that this year the text is explicit on the Puerto Rican people's right to self-determination and independence.

The U.S. Government, which rejects the committee's jurisdiction in the Puerto Rican matter, bluntly said any UN discussion on Puerto Rico would be considered interference in domestic matters.

The approved resolution also expresses the hope that the Puerto Rican people can exercise their right of self-determination without barriers, acknowledges the people's sovereignty, and their absolute political equality.

In San Juan, Puerto Rico, independist Senator Ruben Berrios said the document approved at the United Nations was very positive for Puerto Rico's sovereignty struggle.

During the 3-day debate, Soviet representative (Levshienko) asserted that the declaration on the independence of colonial countries and people approved at the United Nations 25 years ago applies to Puerto Rico. Most UN member countries support this inalienable right, the Soviet delegate said. However, the United States absolutely refuses to comply with UN agreements to grant Puerto Rico its independence, he added.

NICARAGUAN DEFENSE MINISTER ANNOUNCES MOBILIZATION

PA151710 Havana International Service in Spanish 1600 GMT 15 Aug 85

[Text] Nicaragua Defense Minister Humberto Ortega has announced in Managua that thousands of persons will be mobilized within the next few days in order to put an end to the tragic war that has been imposed on the nation as soon as possible. The Nicaraguan defense minister made this announcement after meeting with his Panamanian counterpart, General Manuel Antonio Noriega, with whom he analyzed the Central American situation, the tensions along the Costa Rican-Nicaraguan border, and bilateral issues.

Concerning the struggle of the Sandinist People's Army against the mercenary forces, Ortega said there is a possibility they may combine military air and land operations. Gen Noriega said that Panama will do everything possible to maintain peace in Central America.

Other reports from Managua indicate that President Daniel Ortega has reiterated his proposal to hold a dialogue with his Costa Rican counterpart Luis Alberto Monge. Daniel Ortega said that the decision to hold a dialogue with Nicaragua in order to end the incidents that have taken place along the border area is in Costa Rica's hands. The Nicaraguan president insisted that the presence of U.S. CIA mercenaries in Costa Rican territory continues to be an obstacle to improving relations between the two countries.

NICARAGUA PROTESTS TO COSTA RICA FOR EPS ATTACK

PA150314 Havana International Service in Spanish 0000 GMT 14 Aug 85

[Text] A Sandinist People's Army [EPS] patrol was attacked with rifle fire from Costa Rica when patrolling the San Juan River area. A note sent to San Jose by the Nicaraguan Foreign Ministry states that the incident occurred yesterday and reiterates the need to establish a security zone at the border between the two countries to prevent the recurrence of such actions.

It was learned in Costa Rica that Angel Edmundo Solano, Costa Rican ambassador to Mexico, said that in the high command of his country's public security there are officials who are not loyal to the neutrality proclaimed by Costa Rica. In exclusive statements for PRENSA LATINA, Solano, former Costa Rican public security minister, said that with Nicaragua, dialogue and not war must prevail. He also denounced the activities that the Nicaraguan counterrevolutionary bands carry out in Costa Rica.

HAGUE COURT TO RULE ON NICARAGUAN CHARGES

PA151658 Havana International Service in Spanish 0000 GMT 15 Aug 85

[Report by Luis Cabrera, PRENSA LATINA correspondent in Managua -- recorded]

[Text] The Hague International Court of Justice, regardless of the fact that the United States ignores its authority, is following its procedures and must pass a ruling in the next few weeks on the case legally filed by Nicaragua regarding the U.S. Government's responsibilities due to its policy of systematic terror against Nicaragua.

During a press conference, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco said that in the next few days a group of South American countries that support Contadora will hold a meeting, probably in Bogota, to discuss specific ways of contributing to the peace process in Central America if the United States is not willing to promote the peace efforts.

Deputy Foreign Minister Tinoco also revealed notes that have been sent to U.S. Secretary of State George Shultz and to Costa Rican Foreign Minister Carlos Jose Gutierrez. In those notes the Nicaraguan Government officially states that the United States is responsible for the kidnapping of a group of U.S. and Nicaraguan citizens who were traveling on the San Juan River in Nicaragua and who were threatened from Costa Rican territory, kidnapped, and taken to the neighbor country. The deputy foreign minister said that the United States continues rejecting a return to Manzanillo and is exerting pressure so that Costa Rica does not accept the Nicaragua proposal that calls for a neutral zone on both sides of the common border.

It has also been reported that the Nicaraguan Government, through its Foreign Ministry, has asked the Costa Rican Government to arrest and extradite the ARDE [Democratic Revolutionary Alliance] mercenary who threatened, captured, and later questioned the U.S. citizens in Costa Rican territory.

SALVADORAN BOMBINGS PART OF ANTI-REBEL CAMPAIGN

PA151950 Havana International Service in Spanish 1600 GMT 15 Aug 85

[Text] Salvadoran media have reported that they do not have the exact statistics on the casualties resulting from the heavy bombings in various towns in San Vicente and Cuscatlan Departments on Wednesday by the regime's Air Force. The bombings are part of the anti-rebel maneuvers being carried out by the high military command to prevent the reunification and consolidation of the rebel units in those territories. Similar operations are being carried out by government battalions in Chalatenango and Morazan Departments where guerrilla sabotages have caused considerable damage to the war economy.

On Wednesday, railroad transportation was practically nil in Morazan, while telephone service was completely interrupted in San Vicente. In San Juan Nonualco, 40 km east of San Salvador, the rebels interrupted electricity services.

Other press agency reports confirm that the Attorney's General Office has ordered the reopening of the investigation of the murder of Salvadoran Archbishop Msgr Oscar Arnulfo Romero, who was shot in 1980 by rightists. Former Attorney General Jose Francisco Romero, who was recently dismissed has said the case was practically closed in view of the refusal of several witnesses to disclose specific details regarding the murder.

REBELS BLAME SALVADORAN COLONEL IN LEADER'S DEATH

PA150401 Havana International Service in Spanish 0000 GMT 14 Aug 85

[Text] The National Resistance Party [RN], member of the Salvadoran FMLN, has held Colonel Reynaldo Lopez Nuila, deputy public security minister, responsible for the death of Doroteo Gomez Arias, who was found dead in a cell at the National Police Prison. A communique issued by RN, signed by guerrilla commander Ferman Cienfuegos, charges that the murder of Gomez Arias, who was a member of the FMLN, is a violation of the Geneva Convention on the treatment of a prisoner of war.

Other wire services report that at the Dulce Nombre de Maria court in Chalatenango Department, a charge was presented against the Armed Forces for Tuesday's bombing of Ocotal. The bombing resulted in the deaths of several peasants and the destruction of many homes.

Meanwhile, the Central Organization of Salvadoran Workers has decided to separate itself from the Democratic Popular Unity -- an organization linked to Jose Napoleon Duarte's regime -- because of disagreements on the anti-union policy of the government. The workers organization, which has more than 50,000 members, has demanded an end to the death squads, unemployment, and high cost of living, as well as an end to the illegal arrests of student and labor leaders.

GUATEMALA MUST REPUDIATE DEBT, CHANGE REGIME

PA152221 Havana International Service in Spanish 2310 GMT 13 Aug 85

["Our America" commentary]

[Text] In a recent 1-day visit to the Guatemalan capital, James A. Baker, U.S. treasury secretary, said that political solutions to the foreign debt problem of the Latin American countries are counterproductive because they make U.S. banks nervous and the banks then restrict funds at a time of crisis throughout the area.

Actually, the international banks should not be nervous because the countries are seeking a solution to problems created by the banks themselves; moreover, they experience no nervousness at all when they raise interest rates. Besides, the banks' nervousness does not inhibit the countries that are determined to seek a solution to the pressing foreign debt problem, because that is the only path left open to them. Sooner or later, the bankers will have to sit and listen to their debtors say that it is impossible for them to pay. Then, what will the nervousness to which the treasury secretary refers matter?

Meanwhile, during his short visit to the Central American country -- which is worn out by the extreme poverty, by a repressive regime that is the violator par excellence of human rights, and by an explosive socioeconomic situation -- Baker held a press conference where he read a statement praising the alleged democratization process being carried out in Guatemala. He also said that the United States will substantially increase its aid to that country.

As the proverb goes, none is more blind than he who does not wish to see. Not long ago, 23 Guatemalan unions issued a document denouncing the increasing situation of poverty in which the country's workers live. They pointed out that government officials, in close alliance with the very rich, exploit the working masses, worsening the situation of misery in which they live. Furthermore, the document states, the rich increase their wealth more each day through the exploitation of labor and continuous price increases.

As evidence of the union leaders' charges, the national currency, the quetzal, is now worth one-fourth of its 1972 value; therefore, the current wages have decreased considerably.

Another consequence of the crisis is the increase in common crimes, a social problem worsened by the increasing deterioration of the economic situation. That is why thefts in broad daylight are more frequent, and there are increasing numbers of persons searching for a job or begging on the streets.

Official reports disclose that Guatemala's unemployment rate is over 40 percent, and inflation already exceeds 50 percent. To all this we have to add the new fiscal and monetary regulations that the regime will issue at any moment in an attempt to halt the country's economic recession. These measures, political observers say, could generate a wave of popular discontent and consequently, more repression.

No one is unaware -- and here we have to include the blind who do not wish to see -- that Guatemala is one of the countries where human rights have been most violated, especially during the past 3 decades. The situation is very worrisome because all of the kidnappings and political murders have been perpetrated by the death squad, and moreover, not one of the crimes has been solved. All of these acts have been reported over and over and confirmed by human rights organizations. The Guatemalan situation is no different from that of other Latin American countries. Therefore, the indicated measures are also the same: non payment of its foreign debt and a democratic and revolutionary government that responds to the people's interests.

DEVELOPMENT FUNDS ALLOCATED FOR GUANTANAMO

FL152342 Havana Domestic Service in Spanish 2300 GMT 15 Aug 85

[Text] Funds approximating 36.5 million pesos have been designated for the construction and assembly of various works during the next year in Guantanamo Province. From that amount, approximately 10.6 million pesos will be for buildings and 6.7 million pesos will be used for hydraulic installations. Industrial works will also be completed as well as the improvement and extension of highways and roads, principally in the mountains. Work will also be done on education and health installations.

PRESIDENT SPEAKS ON DEBT, PAYMENT CONDITIONS

FL141911 Santo Domingo LISTIN DIARIO in Spanish 6 Aug 85 pp 1, 9

[By Maximo Manuel Perez]

[Excerpt] President Salvador Jorge Blanco yesterday said there must be understanding among all nations in order to establish a "sincere and honest" dialogue that would allow poor and developing countries to fulfill their economic commitments without deteriorating.

The head of state, speaking to Catholic leaders from several countries, said the deterioration of the quality of life and increase of poverty are factors that go against social peace, and this is an "essential condition for development and economic growth."

"This is when the poor countries' foreign debt problem reaches a level that goes beyond cold economists and bankers and turns into a critical human problem with all the consequences it brings," the Dominican head of state said.

Jorge Blanco asserted that the payment conditions debtor countries obtain from international banks and industrialized countries should neither increase poverty nor further deteriorate people's quality of life.

BRIEFS

INCOME STATISTICS -- During the first 7 months of 1985, the normal income of the government totaled \$958 million, \$348.7 million more than during the same period last year, according to preliminary official data. In relative terms, the increase in normal income was 57.2 percent. The General Directorate of Customs contributed the greatest amount to the national government during the first 7 months of 1985. It paid in \$303.2 million, almost one-third of the total. Of the amount paid in by the General Directorate of Customs, \$275.5 million came from import taxes, and \$27.4 million from export taxes. As of 31 July, the General Directorate of Income Taxes was in second place, supplying \$248.4 million to the national government, compared with \$139.3 million in the same period last year. In absolute terms, the increase in income tax revenue was \$83.6 million, or 50.7 percent. The income of the National Treasury, which receives oil differential payments and transfers of funds from the Dominican Rotary and the National Lottery, among others, increased 53.6 percent, or \$76 million in the first 7 months of 1985. As of 31 July, the receipts of the National Treasury totaled \$217.8 million, compared with \$141.8 million during the same period last year. [Excerpts] [Santo Domingo LISTIN DIARIO in Spanish 7 Aug 85 p 10 FL]

DOMINICAPARLIAMENT APPROVES BUDGET AFTER DLP WALKS OUT

FL152142 Bridgetown CANA in English 2127 GMT 15 Aug 85

[Text] Roseau, Dominica, Aug 15 (CANA) -- The Dominica Parliament today approved the government's EC153.1 million dollar budget in the absence of opposition members.

Lawmakers of the Dominica Labour Party (DLP) walked out of the House of Assembly yesterday in protest against a decision not to broadcast the party's budget reply live on the state-owned radio. Parliamentary Speaker Marie Davis Pierre termed the walkout as an opportunity lost in criticizing government policies, saying that the opposition should be seen as the alternative government.

Tonight, the DLP holds a public meeting in the capital to explain its decision.

GRENADAMINISTRY PROPOSES NEW PLAN FOR LOCAL GOVERNMENT

FL152250 Bridgetown CANA in English 2238 GMT 15 Aug 85

[Text] St George's, Grenada, Aug 15 (CANA) -- The Grenada Government today gave an outline of the sort of the local government system it wants to introduce next year. A release from the ministry of local government said the plan entails six district boards on Grenada, a council for the two sister islands of Carriacou and Petit Martinique, and 46 village councils to be scattered throughout the country. There are also proposals for town boards in Grenville, Sauteurs, and Goyave. The capital town of St George's will have a municipal borough headed by a mayor.

Local government existed here until 1968 when it was abolished by the then Eric Gairy government. Some of the areas of responsibility of the village councils will include day care centres, bus stop shelters, side roads, street signs, and community centres while district boards are expected to look after community playing grounds, street lighting, street cleaning, district roads, cemeteries, agricultural market places, and social welfare.

These proposals are the fruit of numerous consultations which the ministry of local government held with the public on Grenada, Carriacou, and Petit Martinique, the release said.

SCOON APPOINTS FORMER MINISTER TO SENATE

FL091502 Bridgetown CANA in English 1440 GMT 9 Aug 85

[Excerpt] St George's, Grenada, Aug 9 (CANA) -- Grenada's Governor-General Sir Paul Scoon has appointed prominent lawyer Derek Knight a member of the Senate on the advice of opposition leader Marcel Peters, it was announced here today. Knight, a former leader of government business in the Senate under the Eric Gairy Government, replaces former Labour Commissioner Franklyn Philbert. Philbert's Senate seat was revoked in June after police charged him in connection with theft of government funds. Knight was a minister without portfolio in the Gairy Government.

JAMAICASEAGA DISCUSSES JOINT PROJECTS WITH PUERTO RICO

FL152048 Bridgetown CANA in English 2032 GMT 15 Aug 85

[Text] Kingston, Jamaica, Aug 15, CANA -- Jamaica has lost U.S. 17 million dollars in foreign exchange and 10,000 jobs in the garment, data processing, and electronic sectors because of a lack of factory space and poor response by the private sector to take up opportunities from abroad, Prime Minister Edward Seaga said. Seaga made the disclosure in an address to a seminar on twin plant programmes between Puerto Rico and Jamaica here. He is of the view that Jamaica would benefit from this type of set-up as there was millions of dollars available from investments in Puerto Rico.

He said the San Juan Government was prepared to share part of a U.S. 700 million dollar fund in twin plant projects here. Under the twin plant concept, components which require less skill and a greater labour force would be produced here and parts which require more skill and less labour produced in Puerto Rico or which ever state involved in the twinning. Seaga said, despite the plan to build one million square feet of factory space this year, there was a lack of factory space and this resulted in a lack of investment from foreign sources.

TRINIDAD AND TOBAGOECONOMIC COOPERATION TALKS WITH HAITI BEGIN

FL151500 Bridgetown CANA in English 1418 GMT 15 Aug 85

[Text] Port-of-Spain, Trinidad, Aug 15, CANA -- A two-man mission from Haiti has begun economic co-operation talks with Trinidad and Tobago, saying it was the first step toward opening trade ties with the English-speaking Caribbean. The whole purpose of this mission, said its leader Max Antoine, is not only to discuss specific items but also to have a general overview of the different aspects of trade between Trinidad and Haiti.

As you know, the Government of Haiti is really looking forward to implementing trade between the Caribbean region, and this is the first step of many other trips that have to be taken in the Caribbean, added Antoine, who is head of cabinet in the Haitian Foreign Ministry.

Antoine and the other delegation member, Eddy Etienne, assistant to the director-general of the Bank of Haiti, met yesterday with External Affairs Minister Errol Mahabir. Mahabir told reporters that at the meeting of the Caribbean Development and Cooperation Committee (CDCC) held in Port-of-Spain in June, the Haitian delegation had expressed an interest in this country's fertilisers, asphalt, and petroleum products.

Mahabir said that arrangements were not being looked at by the Central Banks of Haiti and Trinidad and Tobago with a view to facilitating a payment system for these products. The purpose of the three-day mission is to finalise agreements.

Yesterday, the mission also met with representatives from government ministries and state enterprises. Today, the team visits Point Lisas Industrial Estate in Central Trinidad, where they will hold discussions with representatives of the National Energy Corporation, (NEC), the Iron and Steel Company (Iscott), Lake Asphalt, and Caribbean Steel Mills.